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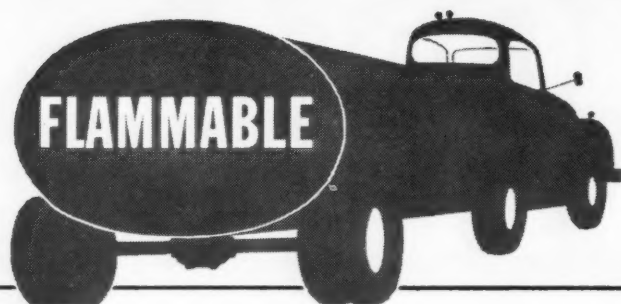
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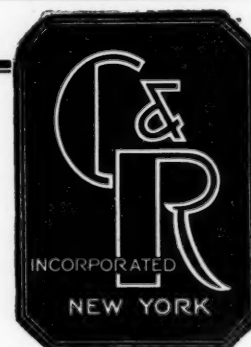
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## Insurers Reiterate That Flood Cover Can't Be Written

**Conclusion Supported and Strengthened by Study of Floods Through 1955**

NEW YORK—American Insurance Assn. has reiterated the position of the stock insurers, that insurance against flood cannot be successfully written. The association this week stated that the conclusion is supported and strengthened by the study of floods through 1955, which was prepared for AIA by the engineering firm of Parsons, Brinckerhoff, Hall & Macdonald.

The engineers' study has been continuing. It started as a report in 1952 on 1951 floods in Kansas and Missouri. After study of that report, the insurers concluded that "insurance against the peril of flood cannot successfully be written," and National Assn. of Insurance Agents concurred in this conclusion. With the August, 1955, floods in the northeast, the engineering firm again was retained to study the problem of floods and flood damage and to review the 1952 report in the light of the August, 1955, floods. Before this investigation could be completed, the October, 1955, floods occurred and the engineers were asked to extend their survey to include this disaster.

As the engineers were completing their report on 1955 damage, catastrophic floods occurred on the Pacific coast. The report on the Pacific coast floods is not available for inclusion in the study but will be published as a supplement.

The AIA report states that the investigation by the engineers strongly indicates that neither the maximum probable loss from floods nor the maximum probable frequency of flood occurrences in any given period have yet been experienced in the U. S. The report goes on to suggest that a realistic approach to the flood damage problem still seems to be an orderly plan for relief and rehabilitation of essential services plus a long range flood control program in which federal, state and local governments could cooperate to reduce the probability of damage from this peril. The report states it would be inappropriate for the insurance business to volunteer recommendations to Congress regarding what it should do about flood damage. However, the report does repeat the offer previously made by the stock insurers and their local agents to cooperate fully by making available their facilities in connection with any flood damage or indemnity program.

The AIA committee on floods and flood damage is composed of J. Victor Herd of America Fore, chairman, Clinton L. Allen of Aetna Fire group, Percy Chubb II of Federal, H. Clay Johnson of Royal-Liverpool, William E. Newcomb of Great American, Leonard Peterson of Home, and A. L. Polley of Hartford Fire.

## Politics, Insurance Tied Together in Tex.

Legislative investigations into the operations of U. S. Trust & Guaranty of Waco are now in full swing, and the Texas newspapers remain full of charges and counter charges, many of them political in nature. With elections coming up this fall, the political implications to be derived from insurance failures are magnified by the aspirants to office, who find many newspapers willing to print their charges.

A. B. Shoemaker, who headed U. S. Trust and its affiliates, remains in a critical condition in a Waco hospital after having shot himself in the head two weeks ago. Through his attorney, state representative Bert McDaniel, Mr. Shoemaker has denied the allegations in the receivership action against U. S. Trust and has challenged the placing of Southern Medical & Hospital Service, a U. S. Trust affiliate, in temporary conservatorship under supervision of the board of commissioners.

Some of the old wounds are being reopened as the Texas Mutual case comes close to trial. Leslie Lowry and his brother Paul, and D. H. O'Feil, who have been under indictment since May of 1954 for perjury in connection with the operation of Texas Mutual, probably will be brought to trial within 60 days.

The Lowry brothers organized Texas Mutual at Beaumont, and when that company failed early in 1954 it constituted touching the match to the dynamite-laden operations of the fringe insurance companies in Texas. The Lowrys are charged on one count of perjury each in connection with Texas Fire, a subsidiary of Texas Mutual, and Paul Lowry also has been indicted on a charge of submitting a false statement. O'Feil was attorney for Texas Mutual and is charged with perjury. Spencer Treharne is also under in-

(CONTINUED ON PAGE 29)

## Ind. High Court Gives Round to Davey on Auto Dealer Licenses

INDIANAPOLIS—Indiana supreme court has issued a temporary order upholding the authority of Commissioner Davey to refuse to grant insurance agent licenses to automobile dealers.

Judge Harold Barger, sitting as special judge in Marion county circuit court, was given until Feb. 14 to have Motors show cause why the order should not be made permanent. Judge Barger on Dec. 30 issued a temporary injunction against Mr. Davey, barring him from refusing to issue licenses to automobile dealers.

Just before he left office, former Commissioner Wells issued a ruling under which automobile dealers were not to be granted agent licenses. Commissioner Davey has upheld this ruling and has been taken to court by Motors, which is the principal company affected. It is understood that during 1955 Motors decided to obtain agent licenses for as many General Motors dealers in Indiana as possible, and had the dealers take the examination. About 90% or more of them passed, but so far they have been unable to get licenses to write insurance.

The temporary order was asked by the Indiana attorney general's office pending a full appeal of the circuit court order. If Motors fails to show by Feb. 14 why the temporary stay order of the supreme court should not be made permanent, Motors loses.

## Oakland Agents Hear Wrenn

Al C. Wrenn, superintendent of the casualty department of St. Paul F.&M. group, discussed and the advantages and disadvantages of "packaging insurance" at the January meeting of Oakland Assn. of Insurance Agents.

## Gov. Harriman Urge Holz' Compulsory Plan in New York

**Asks Insurance Department to Prepare Legislation Embodying Plan**

Gov. Harriman has strongly urged the legislature in New York to adopt the compulsory indemnification plan developed by Insurance Superintendent Holz. The program requires the motorist to furnish proof of financial responsibility at the time he registers his automobile. If he does not, he would be required to pay \$30 per vehicle the first year, 1957, which money would go into a compulsory indemnification fund.

Harriman indicated that he had asked the insurance department to prepare legislation embodying this plan, and urged the legislative committees concerned to hold public hearings and discuss the merits of the Holz proposal as well as other proposals including plain compulsory with an unsatisfied judgment fund.

In his message, the governor calls attention to uninsured motorist cover, now in effect on approximately 13 million residents of the state who are car owners or members of car-owning families. He commended the auto liability insurers for their action in furnishing the UM cover, free to start with, and then from \$2.50 to \$4 per year on renewal. However, he pointed out, there still are 3 million New York resident members of non car-owning families who get no protection in this way against financially irresponsible drivers.

The governor said that the compulsory indemnification fund would make possible satisfaction of claims for damages not only against known uninsured financially irresponsible motorists registered in New York, but would also provide a means of indemnification for losses arising out of accidents with uninsured out-of-state cars, hit-and-run drivers, drivers of stolen cars, and other unauthorized drivers.

The uninsured motorist involved in an accident would not be relieved of personal liability by the payment of the \$30 fee, and he would continue to remain liable for the damages he causes and his car would remain impounded until the judgment against him is fully paid. He would not get any benefit from the compulsory indemnification fund. The \$30 fee would be adjusted after 1957 to accord with the needs of the fund. The governor also commented on the unsatisfactory aspects of plain compulsory. He noted that in 1954 almost 7,000 out-of-state cars and more than 2,000 hit-and-run drivers were involved in accidents in New York State, which compulsory would not cover. He indicated he thought that if the legislature adopted compulsory, an unsatisfied judgment fund still would be needed.

The state in 1955 asked applicants

(CONTINUED ON PAGE 32)

## Late News Bulletins...

### U. S. Trust Probe Opens on Sour Note

The opening of the Texas senate committee investigation into U. S. Trust & Guaranty operations took a dramatic turn last week as the committee chairman resigned after the members voted to conduct part of the sessions in secret. Sen. Bracewell, the chairman and a leader in the attempt to get at the facts concerning the tie-up between legislators and U. S. Trust, walked out when the committee members decided to receive a report on payments by U. S. Trust to state legislators in executive session. The committee later released the report, compiled by the state auditor, and it showed a total payment of \$275,108 by A. B. Shoemaker, U. S. Trust president, or his company, for "legal fees, public relations and advertising." At least \$50,000 was paid in cash and the recipients are unknown.

### Fire Losses Rise 27.9% in December

Fire losses in the U. S. totaled \$89,212,000 in December, an increase of 27.9%, according to National Board. This brought fire losses for the year to \$885,218,000, which is 1.6% greater than the total for 1954.

### Stotts Leaves Hoosierland Rating Bureau

Harry E. Stotts has resigned as secretary-treasurer of Hoosierland Rating Bureau, ABC Service Bureau, and as manager of Indiana automobile assigned risk plan. He is joining a local insurance company. Mr. Stotts has served as secretary and manager of these organizations for several years.

A committee comprised of J. E. Faust, of State Automobile, Glenn Beall, of Fidelity Mutual, Wm. P. Cooling, of Indiana and Ben Forbes, of American States has been appointed to select a successor to Mr. Stotts.

## Allstate's Direct Auto Premiums in 1955 Nearly \$250 Million

Allstate, whose sales achievements in the automobile insurance field have been watched in the last few years with the greatest interest, had total direct automobile writings in 1955 of nearly \$250 million. The results were announced by Calvin Fentress Jr., president, during a visit to the new regional office at Vancouver, B.C.

In 1954, Allstate wrote \$207 million in direct automobile premiums, so the 1955 figure is an increase of approximately 20%. Total sales, including fire and general liability, are about \$252 million on a direct premium basis.

In Canada, the company did nearly twice its 1954 business, the direct premiums being nearly \$6 million. Allstate began its Canadian automobile insurance operations three years ago, and Mr. Fentress commented: "We are pleased with our reception in Canada."

The company is holding a series of open houses in the Pacific coast territory where it has opened three new offices. Aside from Vancouver, there will be residencies at Salem, Ore., and Pasadena, Cal.

## American Mutual Fire, Merchants Mutual Merge

MILWAUKEE — American Mutual Fire of Milwaukee has absorbed Merchants Mutual of Grand Rapids. American Mutual will maintain a Grand Rapids branch office.

Ernest J. Von Briesen, president of American Mutual, becomes chairman of the merged company, and Walter

DeHoog, former president of Merchants, is president of American Mutual. L. L. Sieker, secretary of American Mutual, becomes executive vice-president and treasurer; J. Leonard Henderson, secretary, is now vice-president and assistant secretary, and Harold Buck of Grand Rapids is secretary.

Assets of the new company total \$650,000 and surplus to policyholders \$325,000.

## FTC Extends Time for A&S Trade Parley

Federal trade commission has allotted two days instead of one for its trade practice conference for the A&S insurance business. It will be held Feb. 8-9 in the grand ballroom of the Willard hotel in Washington, D. C.

Among the subjects to be considered are definitions of and representations as to types of policies, period of time for which the policy is in force and the number of persons covered, benefits payable and losses covered, and termination or renewability of policies.

Also exceptions, exclusions, and limitations regarding losses covered and benefits payable, and organization and business operation of insurers as related to the solicitation and sales of A&S. How to eliminate unethical trade practices will be considered, the FTC stated.

FTC has indicated that after the conference, before any trade practice rules are finally approved by the commission, a draft of proposed rules will be made available to interested or affected parties for consideration.

Meanwhile, Illinois Traveling Men's Health Assn., Chicago, moved to dismiss the FTC complaint which charges it with false and misleading advertising.

## Resume Hearings on Wis. Fire Rates

Hearings on proposed revisions in Wisconsin fire insurance rates were reopened last week at Madison with the rating bureau taking its turn at bat.

W. L. Phelps, manager of Fire Insurance Rating Bureau of Milwaukee, opened the bureau case with some remarks about the motives of the members of the Wisconsin department staff. "The positions of the technicians of the insurance department who have testified in this proceeding on many of the controlling issues would not be supported by any responsible authority in this country," he said. "This position appears to have been put forward solely in an attempt to discredit a bureau which has been recognized as competent and trustworthy by the insurance commissioners of this state for many years. (The positions and case of the department staff) are based on distorted data which appears to have been used in an attempt to uphold theories which are unsound. It is my most firm opinion that after our case is presented, you (Commissioner Rogan) and the public will be satisfied that the Fire Insurance Rating Bureau is serving the public interest and that this attack upon its rates and rating procedures is wholly unjustified."

Mr. Phelps refused to retract his statement under sharp questioning by Harold H. Persons, an assistant attorney general handling the department case.

One of Mr. Phelps' references evidently was to the theory of the department staff as respects the profit formula. Charles Timbers, deputy commissioner, said in early testimony that the profit allowance should be 2½% instead of the normal 5%, basing his contention on some sort of combination of premium income and capital stock valuation.

Mr. Timbers was the first to take the stand when the hearings reopened last week, presenting a list of more than 100 classifications of buildings with department recommendations for rate revisions. For example, the bureau proposes an 11% rate decrease for fire protected frame dwellings, the department says the reduction should be 32%.

"In our opinion," Mr. Timbers testified, "the large increases and decreases shown (the department recommendations ranging from reductions up to 98% and increases up to 300%) are due to a large degree to the fact that the proper revisions were not made in prior years. If the rates were once properly adjusted, the annual rate review of the latest five year experience thereafter would not require these large adjustments."

The rate controversy flared into the open when Commissioner Rogan took office. His predecessor, Alfred Vandezande had approved a 4.25% overall reduction as proposed by the bureau. The department staff advocated a 17% average reduction, and Mr. Rogan called the hearing and suspended the rates until he could hear both sides of the story. The first hearings were conducted in December.

Others representing the bureau last week included Peter C. Buschbaum, rating superintendent of the Milwaukee bureau, who was led through a comprehensive review of fire insurance rating methods by James B. Donovan of Waters & Donovan of New York, one of the four attorneys representing the bureau.

J. B. Wilkinson, chief bureau rating

engineer, presented charts and pictures to show that actual fire losses each year do not provide a good index of fire department efficiency, and Frank J. Schwoegler, bureau assistant manager, said the bureau proposed rates would make Wisconsin the lowest rated state in the midwest except for Ohio, which would have the same rate.

## Forecast, Review of Insurance to Feature Union League Meeting

The insurance group of Union League Club of Chicago on Jan. 23 will hold its annual "Insurance Forecast and Preview Symposium."

Levering Cartwright, insurance journalist, will moderate the panel, members of which will be Shelby Cullom Davis, head of Shelby Cullom Davis securities firm of New York; E. D. Lawson, vice-president of Fireman's Fund in the western department and chairman of the governing committee of Western Underwriters Assn., and Howard C. Reeder, executive vice-president of Continental Assurance.

An award to the "Union League insurance man of the year" will be made by Eugene F. Gallagher, Planet, chairman of the special awards committee commemorating the 75th anniversary of the Union League Club.

## Mont. Insurance Council Asks Holmes About Insurance Failures

Montana Insurance Advisory Council has written a letter to Commissioner Holmes asking a number of specific questions about the action the Montana department has taken to follow up the failure of Louisville F&M, Inland Empire, and Central Standard. H. N. Wheat, council chairman, in a statement said: "Unless the Montana insurance commissioner makes use of the statutory authority reposed in him to extend the licenses of companies which have been forced into bankruptcy, we can expect congressional investigation and possibly federal legislation."

The letter to the commissioner asks whether the department has been informed as to the receivership status of the three companies, whether their Montana licenses have been cancelled, whether the assets have been impounded, what notice the Montana department has given to the public and to the various state departments, and the status of the present policyholders and claimants in Montana.

## N. Y. Brokers to Hear Highway Safety Talks

Three safety engineers will discuss the insurance man's role in highway safety at the educational forum of Greater New York Insurance Brokers Assn. Jan. 25 in New York City.

The speakers will be Frederick Beik, supervisor of loss prevention of American; Norman Ohland, safety engineer of Greater New York Safety Council, and Paul Blaisdell, director of traffic safety division of Assn. of Casualty & Surety Companies. A color film on highway safety will be shown.

## Cleveland Mariners Meet

Lea C. Hinslea, a lakes and admiralty lawyer of Cleveland, reported on his visit to European shippers and ship owners at the January meeting of Cleveland Mariners club.

Columbia (S.C.) board has elected Thomas B. Boyle Jr. president, N. J. Thompson vice-president, and John V. Davis secretary-treasurer.

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## New Requirement for Marine Protects U. S. Insurers

The new marine insurance requirement in connection with the commodities financed by international cooperation administration (ICA) and obtained in the U. S. is designed to give foreign importers the right to negotiate freely, directly or through their suppliers, for the purchase, in the U. S., of covering marine insurance. The revision of the basic rules and procedures under which ICA finances procurement of commodities and services affects more than 60 countries cooperating in the mutual security program.

The new regulation apparently is designed to carry out provisions of Sen. Magnuson's amendment to the mutual security law. Before the amendment was enacted, the foreign aid agency left it up to a foreign country, to which the U. S. financed exports were shipped, to decide whether there was discrimination there against the American marine insurance business.

The Magnuson amendment provides that in the event a foreign country discriminates against a marine insurer doing business in the U. S., all economic aid shipments to that country must be insured in the U. S. with a company authorized to do business in this country.

The provisions of the new ICA regulation determines that dollar payments of premiums for ocean marine coverage, including war risk, on ICA financed commodities procured in the U. S. are eligible for financing under a commodity procurement authorization (called PA) or project implementation orders (called PIO) if the insurance is placed by the importer or a person designated by him, and if it is placed at the lowest available competitive rate.

Claims for reimbursement must be supported by documents stating the cost of any commodity, including ocean freight in cost and freight transactions, marine insurance in cost and insurance transactions, and ocean freight and marine insurance in cost, insurance, and freight transactions. Also required are documents on the cost of ocean transportation including ocean freight paid by the supplier of the commodity in FOB and FAS transactions; the cost of services, other than ocean transportation and marine insurance; and the supplier's certificate.

In the supplier's certificate, it is pointed out that if the contract is on a cost and freight or a cost, insurance and freight basis, the supplier is entitled to payment under ICA regulations of any ocean freight charges included in the sum claimed.

When the commodity or service is procured through the U. S. government, procurement facilities in accordance with the basic rules and procedures and arrangements for the reimbursement of the procuring department, agency or establishment will be made by ICA.

## To Oppose Government Flood-Disaster Cover

Chase Smith, general counsel of Lumbermens Mutual Casualty and chairman of the U. S. Chamber of Commerce insurance committee, was to testify before Congressional committees this week in opposition to proposed administration flood and disaster insurance legislation. Mr. Smith will also

speak against measures that would disguise flood or disaster relief in subsidy programs.

Both the House and Senate banking committees are resuming hearings on flood-disaster legislation. More than a half dozen flood-disaster insurance or reinsurance measures already have been introduced in the House since Congress reconvened.

## Ottawa County, O., Agents Elect

Ottawa County (Ohio) Assn. of Insurance Agents elected Harold Younker, president; Howard Fulton, vice-president; E. M. Carstensen, secretary-treasurer.

## National Board Progress on Atomic Energy Coverage

National Board is in the process of mobilizing the underwriting facilities of stock insurers to write the physical damage peacetime atomic energy exposures of private industry. Returns of requests for commitments by insurers indicate that the total capacity will be at least \$50 million for the stock insurers. It is understood that the under-

writing will be done by Factory Insurance Assn.

## Burton to San Francisco for Employers Reinsurance

Delmar L. Burton of the underwriting staff at the home office of Employers Reinsurance, has been transferred to San Francisco where he will work in association with J. D. Macdonell, vice-president in charge of Pacific coast operations. Mr. Burton has had several years' underwriting experience in casualty and surety lines.



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## Mutuals Setting Up \$10 Million Pool for Nuclear Coverage

Definite commitment to provide more than \$10 million in insurance protection to the operator of an industrial nuclear reactor has been made by 91 mutual fire-casualty companies. American Mutual Reinsurance will manage the reinsurance pool which is being set up on the basis of the commitments.

Actual beginning of operations must await developments of new types of policies and of rates.

"By the time industry has real need of such protection the pool's capacity will be larger," Joseph P. Gibson, president of American Mutual Re, said. "The capacity of \$10 million was simply a minimum goal, and there remain many large mutual companies which are awaiting submission of the question of participation to the directors' meetings of their organizations."

Under present plans each of the individual companies participating would

be able to write a policy through its own organization covering any suitable nuclear reactor risk up to the \$10 million limit. This then would be re-insured 100% in the pool, with each participating company taking its proportionate share.

The mutual pool is one of three that have been in process of formation. Two distinct syndicates of stock companies—one designed to handle liability coverage and the other designed to handle damage to reactors—are being organized under the sponsorship of Assn. of Casualty & Surety Companies and of National Board. It is expected that on large risks the amount of insurance protection required will be so large that all three pools will cooperate when necessary.

It is expected that similar rates will be charged by all three, and that these will be based upon analysis of such factors as size of reactor, type of fuel, type of coolant and moderator, safety of basic design, adequacy of instrument control, efficiency of containment, location with respect to persons and property, and experience with the particular type of reactor.

## General Agency Takes Over Business of Missing Seattle Agent

Underwriters Corp. general agency of Seattle has assumed management of the Dick Reynolds local agency, Seattle, on behalf of the insurers formerly represented by Reynolds. The business will be conducted from the offices of Underwriters Corp.

Dick Reynolds, owner and operator of the agency, is believed to have left Seattle about Dec. 2 and his whereabouts are unknown. He is also majority stockholder and president of Federal Security Co., a Seattle mortgage loan corporation, which has been placed in receivership. Federal Security Co. receiver, M. L. Borawick, appointed by King county superior court, reports company records indicate shortages of over \$70,000.

Reynolds' wife refused to answer the questions in a hearing on a show cause order to account for funds of the Federal Security. She declined to answer questions regarding company checks drawn in favor of the Reynolds family out of trust and escrow funds of the firm, claiming "confidential privilege" and that the answer might tend to incriminate her.

## Ky. Legislature to Probe Department, New Insurers

LOUISVILLE—The Kentucky legislature has appointed a committee to investigate the state insurance department, in line with a request of Gov. Chandler. The governor had said that agents and policyholders had suffered losses as a result of failures of companies that had been permitted to operate in Kentucky. An assistant attorney general will act as counsel to the committee.

Mr. Chandler says he has complete confidence in his appointee, C. P. Thurman, as commissioner, "but I do not want him to be held responsible for something that happened before he took office."

The investigating committee has named Vernon D. Rooks, former state assistant director of insurance and at once time actuary in the department, as investigator. The governor has asked that the committee make sure that the 11 companies organized in Kentucky between Dec. 5 and Dec. 9, just before his administration went into office, qualify under the law.

## Highlights of the Week's News

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## Nationwide Study Relates Socio-Economic Differences to Insurance Buying Patterns

A study of insurance consumption patterns in four areas of the country by the research department of Nationwide group indicates that the amount of insurance people buy depends more on their attitudes and "style of life" than on their income or financial resources.

A report on the study says "the factors of education, occupation, income, zone of residence, and in rural areas, size of farming operation and family size, as well as education, appeared to be important determinants of insurance consumption behavior."

Nationwide's urban study involved a survey of 102 families in Columbus, O., and 151 in New Haven, Conn. Rural areas are represented by 220 farm families in Vermont and 455 Ohio Farm Bureau Federation advisory council leaders and their families.

The research staff says the study indicates that socio-economic and social class differences, as reflected by educational, occupational income and aspiration measures, are important for an understanding of the dynamics of insurance behavior in that they largely determine a person's "style of life" and therefore his conception of his insurance needs, attitudes and expenditures.

Socio-economic factors are very pronounced in determining the amount, types, means of payment, frequency of payment, how obtained and reasons for obtaining life insurance for the head of the family, his wife and children.

The study showed, however, that the "style of life" concept does not determine all forms of insurance consumption. Most auto, fire, hospitalization and surgical coverages permit the consumer a minimum of selection and are consequently more likely to be bought on a customary or traditional basis which ignores the different patterns of various groups.

The study concludes that a buyer given a wide variety of offerings will make a choice which will generally reflect both his socio-economic status and his "style of life."

It was found that socio-economic differences cut across regional and rural-urban lines. There were, for example, far greater differences in insurance protection within a sample group than between sample groups. The rural upper class family in Vermont more closely approximated the urban upper class family in Columbus than the middle or lower class farm family in Vermont or Ohio, except in the strictly farm coverages such as crop insurance.

The general level of coverage was greater in urban than rural areas, but the researchers believed that it is doubtful whether any but purely chance variations could have been found had rural and urban respondents been of a comparable socio-economic status. The same statement is true with reference to regional differences.

The individuals interviewed were also asked to express opinions on various aspects of insurance.

Approximately 86% of those interviewed in New Haven and 98% of those in Columbus favored compulsory liability insurance. There was a wide divergence of opinion concerning the effect of such legislation on both the cost of auto coverage and the accident rate. Some 81% of those in New Haven and 95% of the Columbus group favored a proposal which would require a com-

pulsory and regular inspection of all private passenger cars.

The New Haven group thought companies should insure all drivers on (a) some kind of merit or demerit plan (69.5%), or (b) regardless of a special rating plan (25.2%). Only 4.6% believed that insurance companies should insure only select risks.

Despite the concern of auto insurance companies over the size of awards

levied against defendants in some cases of litigation, the subjects interviewed were for the most part indifferent to this problem. More than 50% would express no opinion on whether jury awards were fair, too high or too low. Of the remainder, 29% thought awards were fair, 13% too high and 8% too low.

One interesting finding was that 29% of the New Haven group and 45% of the Columbus group would prefer to carry their auto coverages on a group payroll deduction plan as opposed to an individual basis.

Questions on casualty and personal liability contracts indicate that despite divergences in the composition of the two sample populations, the New Haven and Columbus respondents showed remarkable similarity in the types and amounts of coverage which they own. Socio-economic differences, in both samples, were significantly correlated with the value of the property owned, the amount of fire insurance carried on this property and the amount of household goods insurance owned.

In the rural surveys, it was estab-

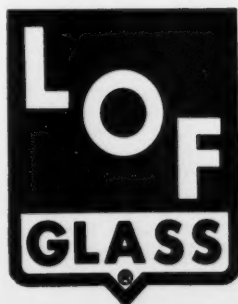
(CONTINUED ON PAGE 32)

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By the same token, you don't want to pay for Safety PLATE Glass and get Safety Sheet. Safety Plate is ground and polished to be distortion-free. Safety Sheet is not.

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## From the diary of an Agency Secretary



Gollies, are we busy! On account of we're pushing that 5-year fire policy of PLM's on dwellings. Mr. L says everybody wins with that one, and he's right—even down to little ol' mē, Ellen. First our assureds win. They make a double money saving—lower initial cost, plus their regular 20% dividend saving. Second, Mr. L wins. He saves time and trouble in soliciting renewals. And third, I win. I spend less time in routine policy typing, have more leisure to really help Mr. L develop new business, and to keep my office records neat and up to date. A girl appreciates that—and so does her boss!

### MR. LOCAL AGENT

Are you writing your share of those money-saving 5-year policies? PLM offers them for both fire and extended coverage—backed by its 61-year record of strength, prompt claim and dividend payment, and agency support. Why not write us for full information about a representation.

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## Texas Agents Plan Casualty and Surety Meetings

The following speakers will be presented at the casualty and surety meeting sponsored by Texas Assn. of Insurance Agents to be held in the Adolphus hotel, Dallas, Jan. 23, and Ye Old College Inn, Houston, Jan. 24:

Porter Ellis, president Texas association; J. Byron Saunders, board of insurance commissioners, Austin; C. E. Granger, American Surety, Dallas; W. W. Ellis, Aetna Casualty, Hartford; Charles L. Carneal, Fioyd West & Co., Dallas; William C. Lynch, formerly with Allstate, Houston, and H. C. Pittman Jr., chairman, Texas Industrial Accident Board, Austin. W. Nicholas Williams, chairman of the casualty and surety committee, will preside.

The following are new regional chairmen of the association: John E. Goble, Duncan agency, Waco, district 4; Blake Johnson, Jr., Blake Johnson agency, Breckenridge, district 11; and J. C. Timmins, Timmins agency, Brownwood, succeeding Clyde Hall of Brady who has undergone eye surgery.

Regional meetings were held in Midland, with Lee Durrell, chairman region 13, presiding and El Paso, with Warren C. Brown, chairman, district 6, presiding. Speakers were Commissioner Wentz, Denis B. DuPriest, rate actuary; Herman L. Begeman, director of automobile section; A. W. Penn, director of bond and burglary section, all of Texas department, and Porter Ellis, president, and Drex B. Foreman, executive secretary of the association.

## Pacific Employers Holds 3-Day Conference

LOS ANGELES—More than 100 home office executives, branch managers and claim superintendents of Pacific Employers as well as officers of Allied Compensation, Meritplan, and California-Union, members of the Montgomery group, participated in a three-day conference here.

Victor Montgomery, president of Pacific Employers and California-Union, on the opening day, reviewed the growth of the group during the year. He also announced that R. A. McGuire, executive vice-president of Pacific Employers, has been placed in charge of underwriting.

Following an administrative session the second day, 73 men and women, each with 15 or more years service, were honored at a reception and luncheon and made members of "Montgomery Pioneers."

"Service That Renews," the slogan of Pacific Employers, was the keynote of the closing day's session.

## Local Tex. Associations Elect Jones and Prestridge

Assn. of Insurance Agents of Ft. Stockton, Tex., elected Fred Jones president and Elbert Boatman, secretary-treasurer.

Tyler (Tex.) Assn. of Insurance Agents elected Robert L. Prestridge president, John H. Brogan Jr., vice-president and Thomas Bradshaw, secretary-treasurer.

## Burglary & Glass Course at St. Louis

The educational committee of Insurance Board of St. Louis has announced the National Assn. of Insurance Agents burglary and glass course of instruction will be started in the Pierce building Jan. 30 and continue through March 5. The class will meet each Monday from 4:00 to 6:00 p.m. The discussion leader will be Robert C. Watkins, special agent, Fireman's Fund and National Surety Corporation.

## Home Indemnity Names Johnson Claims Manager

Home Indemnity has elected Burton J. Johnson assistant secretary in charge of nationwide claims operations at the New York head office under supervision of Edwin H. Ely, vice-president.

He joined the company in 1950 as loss-claim superintendent in Oklahoma, transferred to Dallas in 1952 and was named claims manager in Chicago a year later.

## Honor Millers National President on His 50th Year with Company

Arthur A. Krueger, president of Millers National, was guest of honor last week at a special luncheon of company officers commemorating 50 years of continuous service. He was presented with an inscribed gold watch.

In point of service, Mr. Krueger's half-century with the company establishes a record. He started working for Millers National as an office boy in 1906, later entering the accounting department. Serving in an executive capacity since his appointment as chief accountant in 1916, Mr. Krueger established the company's statistical department, one of the first of its kind, and was instrumental in introducing tabulating equipment.

Twelve years later, Mr. Krueger was made assistant secretary and in 1935 became secretary. His appointment to secretary-treasurer and a member of the board followed in 1939. He became executive vice-president and secretary in 1944, and was advanced to the presidency last year.

## W. H. Markham & Co. Adds New Partners

Charles S. Drew Sr. has been named senior partner and Holton R. Price Jr. managing partner for the W. H. Markham general agency at St. Louis.

Dan O. Layton, S. F. Procopio and George D. Will Jr. have also been elected members of the firm, which brings the number of partners to ten.

Mr. Drew has been with the Markham agency since 1936 and was previously with Alexander & Alexander and Marsh & McLennan.

Mr. Price was an executive for U.S.F.&G. prior to joining the Markham agency in 1941.

## Hoosier Agent Files Bankruptcy

LAFAYETTE, IND.—John E. Weigle, operator of an insurance and realty firm bearing his name, has filed a bankruptcy petition in U.S. district court here, listing assets of \$554,699, and \$119,795 in debts. The reported assets included a \$500,000 claim against L. A. Thise, local real estate developer and contractor, for alleged breach of a lease for the business office Weigle rented from him.

## Study Manitowoc City Cover

MANITOWOC, WIS.—Insurance costs will be considered by the board of education at a meeting with city officials. The property coverage is now in stock and mutual companies. It has been proposed that the board place all its insurance with mutuals, carry state fund coverage or create its own insurance fund.



## D. C. Agents Fight Medical Society's Cover Endorsement

District of Columbia Assn. of Insurance Agents will ask Medical Society of D. C. to withdraw its endorsement of a group professional liability master plan requiring coverage to be written by exclusive agents.

The association charges that the society had notified members that a St. Paul Mercury-Indemnity representative had issued the master policy to the medical society, that individual policies would be issued to members later and that the agreement would be in effect with the company for five years.

However, Superintendent Jordan of the district advised the association that the company had not issued such a master policy and that none had been filed with his department. The society in turn acknowledged Mr. Jordan's statement with a letter to members advising them of the incorrectness of its previous message due to a misunderstanding with the company representative, but did not mention actual withdrawal of endorsement.

The association questioned the insurance company on the policy and ascertained that the policy can be written only through company agents. As a result, it claims that a few agents are soliciting society members with applications marked "Sponsored by the Medical Society of D. C."

## Zurich Installs IBM Electronic Brain

Zurich has installed a #650 IBM magnetic-drum electronic data processing machine in its head office—the first such machine to be installed by an insurer in the Chicago area.

The machine, popularly known as an "electronic brain," combines and accelerates the operations formerly done by four separate machines. It is now being used to consolidate collection data, recording and classifying transactions by branch, agent, and type of insurance. Its use will be extended to the recording of claims and the preparation of loss ratios.

By speeding up Zurich recording operations, the machine will help maintain records on a more current basis than heretofore possible and will help keep pace with the expanding volume of business. It also will increase efficiency by eliminating many possibilities of error.

## Chicago Casualty & Surety Managers Elect Tillotson

Richard H. Tillotson, branch manager at Chicago for American Surety, has been elected president of Chicago Assn. of Casualty & Surety Managers.

Ray L. Walker, vice-president of U.S.F.&G., has been named vice-president; and Ben A. Siffered, indemnity manager for Fireman's Fund, and John S. Warren, midwest department manager of General Accident, have been named secretaries.

J. S. Richardson, resident vice-president of Standard Accident, presided at the installation.

H. N. Douglass, resident vice-president of New Amsterdam Casualty, will speak at the association's Jan. 17 meeting at the Union League club.

## Mo. Local Boards Elect

Cape Girardeau (Mo.) Assn. of Insurance agents recently elected William A. Kiehne president, Jack Clay vice-president, Wendell Black secretary, and Miss Hattie Harp treasurer. Board members are retiring presi-

dent Maurice Dunklin, J. C. Wylie, William A. Day, Fred C. Springer and Mrs. Vera M. Saupe.

Ben Cowan, local agent at Dexter, has been elected president of Southeast Missouri Assn. of Insurance Agents.

Tharon E. Stallings of Sikeston was named vice-president and Sanford Bolin of Caruthersville was named secretary.

North America has elected R. G. Rinchliffe, president of Philadelphia Electric Co., a director.

## Insurance Section of N. Y. Bar Assn. Will Hold Annual Jan. 26

The insurance law section of New York State Bar Assn. will hold its annual meeting Jan. 26 at the Biltmore hotel in New York City. A discussion of legal aspects of the new uninsured motorist coverage by Emmanuel F. Morganbesser of Cosmopolitan Mutual will open the program.

A panel discussion on impartial medical testimony will follow with Delmar Karlen, professor of law at

New York university law school, moderating. Speakers will be Bernard Botein, justice of the New York appellate court, who will discuss the judicial viewpoint; Emile Z. Berman, New York City attorney, the trial lawyer's viewpoint, and Dr. Irving S. Wright, the physician's viewpoint.

Angela R. Parisi, chairman of New York Workmen's Compensation Board, and Superintendent Holz of New York will be the luncheon speakers. A reception will precede the luncheon.

The annual business meeting will be held in the afternoon.



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Almost from the beginning of the automobile industry, we have worked closely with agents and assureds to provide the American motorists with the protection they require. In carrying on this tradition, we have recently expanded our facilities to include a low-cost automobile policy. Naturally, we think it has the edge in advance design and that it fills a particular present-day need.



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## St. Louis Board Officers Comment on Split with State

ST. LOUIS—Insurance Board of St. Louis this week elected William R. Dunham as president to succeed J. Boyd Hill, who becomes chairman. H. Roland Bieser is retiring chairman. Other officers elected are: Vice-president, Louis H. Trout; secretary, John Brodhead Jr., and treasurer, Charles W. DeWitt.

The new officers will be installed at a banquet Jan. 23.

Members approved a number of amendments to the constitution, including changes in the dues to produce a graded scale.

In his report, Mr. Hill said he believes the board "is and has been well conducted in the interests of our active and associate members alike." The budget, he remarked, is small, and there is constant attention to expenditures and no room for extravagance. Saying he thinks the St. Louis board is a good one, Mr. Hill admitted:

"We have, of course, had one unfortunate problem to face this year, that is, our withdrawal of all support from Missouri Assn. of Insurance Agents. The principal reasons for our action have been given to the membership through the means of several letters. I will not dwell, therefore, on the matter further in this report except to say I believe we took the only road left open to us. We have every wish that it will come to a satisfactory conclusion in the future."

The advisory committee, composed of the five immediate past presidents, had recommended withdrawal of the board from the Missouri association, and in concluding its report to the members, the committee said:

"The members of this committee were unanimous in their opinion that we need an efficient and well-run Missouri Assn. of Insurance Agents, but in view of the indignities heaped upon our duly elected representatives, they didn't feel that we need the Missouri association at the expense of their self-respect and the integrity of the Insurance Board of St. Louis."

John C. Muckerman II, membership chairman, reported the board has a total membership of 756, including agencies, active members, associate members and affiliates.

## Pacific Northwest CPCUs Name Wallace President

John H. Wallace of the C. B. DeMille general agency, was elected president of Pacific Northwest CPCU chapter at the annual meeting in Seattle. He succeeds Sterling Stapp of D. K. MacDonald & Co.

Other new officers are: Robert Nagle of the Kemper companies, vice-president; Doris Toby of the Toby agency, secretary, and John Solon of LaBow, Haynes Co., treasurer, all of Seattle.

## American General, Houston, Buys Third Life Company

American General of Houston has purchased Hawaiian Life through an exchange of the companies' stock. Hawaiian Life has insurance in force of about \$17 million.

This is the third acquisition of a life company by American General in the past few months. In addition, the property insurer has a companion life company, American General Life. American General this month bought Union National Life of Nebraska, which has insurance in force of about \$171 million, and some months ago purchased American Reserve Life of Omaha, whose merger into American

General Life is now about completed. Gus Wortham, president of American General, and B. N. Woodson, president of American General Life, will be added to the board of Hawaiian Life, and Mr. Woodson will give the company executive direction. Hawaiian Life will be operated independently, with Francis W. Moore continuing as president.

The Monfort agency of Chelaxis, Wash., has been purchased by Virgil R. Lee & Sons agency. D. W. Monfort, who started the agency 20 years ago, has retired.

## Lamble President of Reliable of Weintraub Group

Reliable of Dayton has elected John W. Lamble president and a director. He succeeds Walter F. Oleman, who becomes vice-chairman of the board. Joseph Weintraub, head of American Equity group, of which Reliable is a member, was elected chairman. Jay R. Schwartz of Miami, headquarters of the group, was elected executive vice-president of Reliable, and Ray K. Da-

vis of Miami was elected vice-president.

Mr. Lamble recently was elected president of the other American insurers in the group.

## Mass. Bonding Names Taylor D.C. Manager

Henry W. Taylor has been named manager in the District of Columbia for Massachusetts Bonding. He succeeds the late Kenneth C. Beals.

Mr. Taylor has been assistant manager at Washington.



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**HUNDREDS OF THOUSANDS** of copies of the folder "Why I buy my insurance from an agent or broker . . ." have been distributed in recent months by agents, brokers and agent associations all over the country.

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It was actually written, in part, by a housewife—strictly from a property owner's point of view. Also included is an agent's description of his activities in behalf of his clients. These two presentations go a long way toward showing the desirability of doing business our way.

Because it does such a good job of explaining the importance of your role in the protection of your neighbors, "Why I buy my insurance from an agent or broker . . ." is a folder your state or local association may well wish to distribute.

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Northwestern Fire and Marine Insurance Company

Twin City Fire Insurance Company . . . . . Minneapolis 2, Minnesota

## Aitken Canadian Manager of Home

Home has appointed Robert S. Aitken manager of Canadian operations in Toronto. A native of Scotland, he started his insurance career in this country as a local agent in 1921. He went to home in 1939 as special agent for Washington and British Columbia. He was appointed special agent for Montana in 1947.

## Detroit Buyers Hear Beatty

R. M. Beatty, executive assistant of W. A. Alexander & Co. of Chicago, gave a demonstration of the adjust-

ment and settlement of a typical business interruption loss at the January meeting of Insurance Buyers Assn. of Detroit.

Mr. Beatty also discussed partial BI losses, the actual loss sustained clause and evidence necessary to support a claim.

M. R. Olp, vice-president of Marsh & McLennan, outlined what an agent expects of an insurance buyer at the association's December meeting.

## Insurance School Dinner

Insurance Society of New York's school of insurance will hold its annual faculty dinner Jan. 26 at Drug & Chemical Club, New York City.

## Misuse of Word Held a Mutual Mistake

When an agent wrote the word "nil" in answer to a question concerning the estimated average daily amount of property in the custody or control of others in a jewelers block policy without knowing what "nil" meant, it was a mutual mistake and not a breach of warranty. This was held by the U. S. appeals court in Florida in the case of Providence Washington vs Rabinowitz, 8 CCH (fire & casualty) 844. Alan S. Boyd of Miami was attorney for Providence Washington and A. Lee Bradford and Frank A. Howard Jr. for Rabinowitz.

Mr. Rabinowitz and his partners, d.b.a. Miami Diamond Center, sued for the recovery of a loss of \$12,000 which occurred while the precious and semi-precious stones were in the custody of a dealer. They held that Providence Washington wrongfully refused to pay the loss on the grounds that the word "nil" had been written in answer to the custody and control question in the application. It was later decided the answer should have been \$40,000.

Providence Washington contended that there was no mutual mistake and that the answers in the application were warranties.

The trial court, without a jury, held that the intent of the policy was to insure and that when the agent wrote "nil" he had not been given directions by insured to do so. The agent's testimony, the trial court said, was sufficient to support the fact that in writing the word he had done so without realizing what was called for by the question and without intending to state that insured had not had property in the custody of a dealer. A judgment was entered for recovery on the policy but reformation was granted.

The appeals court agreed that the word "nil" did not constitute a warranty since it was not clearly shown, in testimony, that neither the question nor the answer were clear and without ambiguity or false. However, the court stated, if it were mistaken in this and the answer did constitute a breach of warranty, still the judgment of the trial court should be upheld since the evidence showed the word "nil" was mistakenly written in the policy.

## Agents Take New Minn. Fire Policy in Stride

MINNEAPOLIS—Agents in Minnesota are taking the new Minnesota fire policy in stride, thanks to several months of briefing by field men. The new form, patterned after the New York policy, went into effect Jan. 1 and after that date the old Minnesota form which had been in use for more than half a century had to be discarded for all new business.

The changeover from the old to the new form posed a problem for companies that ran out of the old forms before the new one became effective but there were not many such cases.

The use of the new form is the culmination of several years work on the part of companies and some of the agents who favored the change. However, there was enough opposition to defeat the change until the 1955 legislature passed a law legalizing the new form.

## Hearing on Bus Cover

New York public service commission will hold two hearings in Albany Feb. 8-9 to determine whether minimum liability insurance on busses is to be increased.

It has been suggested that limits be raised to 50/100/300. The hearings

also hope to establish minimum insurance requirements in connection with charter or special contract transportation service, which is now under PSC regulation.

## Burgwald Named President of Los Angeles Agents

Hugo Burgwald Jr. has been installed as president of Insurance Assn. of Los Angeles.

Other new officers are George M. Douglas, vice-president; Caine Farrell, secretary, and Roy M. Dougherty, treasurer.

New directors are: Ray Davis, Arden L. Day Jr., Mr. Dougherty, Mr. Douglas, Kennedy Galpin, John W. Haggerty, Nathan M. Horwitz, Don T. Randall and Herman Schroeder.

Mr. Burgwald's presidency marks the third time that a son succeeded his father as president of the association. Willson A. Pierce succeeded his father, the late D. W. Pierce, as president. Robert E. Battles, NAIA vice-president, and his father, Eugene Battles, are also among the association's past-presidents.

Thomas Schumacher, executive secretary of California Osteopathic Assn., spoke on the advantages of belonging to an association.

## Chicago Surety Association Admits New Company

Surety Underwriters Assn. of Chicago approved the membership application of Phoenix-Connecticut group and discussed plans for a pre-Lenten dinner and a June golf outing at the January business meeting.

Robert M. Nestler, bond underwriter, represented Phoenix at the meeting. The company opened its casualty and bonding department at Chicago last July.

The association will hold its pre-Lenten dinner at the Swedish club during the second week of February and its golf outing at Glendale country club, June 5.

The association plans to conduct a membership drive and increase its legislative activities in cooperation with the national association.

## Retired General Fined

Air Force Maj. Gen. Byron E. Gates was reprimanded and fined \$500 for mishandling his administration for personal gain while commander of Scott air force base, Chanute, Ill.

Gen. Gates retired from active service last June, but was recalled to face charges of wrongfully using his rank and influence by sponsoring private insurance companies in which he had a financial interest.

American Universal has been licensed in Maine.

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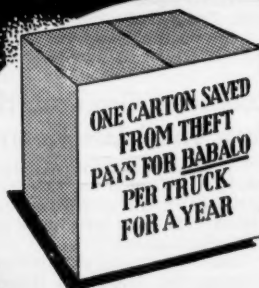
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## \$62 Million Cover on Hudson River Span Placed in 24 Hours

The \$62,400,000 bridge cover and the \$6 million U&O insurance on the new bridge which spans the Hudson river between Westchester and Rockland counties, informally known as the Tappan Zee bridge, was written in a little more than 24 hours with 46 companies taking 50% and Lloyds the remainder. Total premiums will be about \$306,000 for three years. The basic bridge policy included the perils of fire and lightning, floods and rising waters, ice, collision, explosion and other applicable extended coverage perils.

Walsh & Walsh, New York City brokers, who handled the cover, received word they were to place the insurance at 2 p.m. two days before the bridge was opened. At a meeting to which all the marine underwriters licensed in the state were invited, Neil Walsh Jr. explained the risk to the 50 interested insurers at one time, and the risk was bound before the bridge opened at 9:30 a.m. the following day. David Palmer of Lumley Dennant in London, Lloyds brokers, handled the 50% taken by London.

Companies that took 1% or more are Royal-Liverpool, 4%; Home 4%; North America, 4%; Commercial Union, 1½%; American Home, 1½%; Great American, 1¼%; and Talbot-Bird, Chubb & Son and Fireman's Fund, each 1%.

At the time the binder was made, it was not known which of three optional deductibles, an over-all 1% deductible, or a 1% deductible on the main trestle plus a 1% on the western causeway, or a maximum limit of \$100,000 on the western causeway, would be approved by the New York thruway authority, but none of the companies objected to accepting the risk on this basis, Mr. Walsh said. Nor, because of the short time left before the bridge was to be opened, did any object to meeting to have the risk explained, though this is an unusual practice.

## Wabash F.&C. Enters WC Field; R. L. Brown Manager

Wabash Fire & Casualty of Indianapolis has entered the workmen's compensation field and has appointed Robert L. Brown as manager of the WC department.

Mr. Brown has been in the compensation field for 19 years, starting in 1937 with Bituminous Casualty as a safety engineer. Later he was with Bituminous in the underwriting department at Louisville, becoming assistant manager there in 1944. He was with the home office underwriting department and in 1949 was named Indianapolis manager by Bituminous in which position he continued until joining Wabash F.&C. at the end of 1955.

## So. Cal. Brokers Elect

Insurance Brokers Society of Southern California has elected Ray R. Williamson of Wilmington president; K. B. Galpin of Los Angeles vice-president, and R. E. Masterson of Los Angeles secretary.

## Philadelphia Society Banquet

Insurance Society of Philadelphia held its annual banquet in Philadelphia with one of the largest attendances in its history. Verner S. Gaggin, general manager of the Better Business Bureau of Philadelphia, was featured speaker and a short talk was given by

Bernard J. Kelley, deputy commissioner of Pennsylvania, representing Commissioner Smith. Wendell A. Simonson, resident manager of the middle department office of Employers group, is president of the society.

## Daly Joins Seymour Agency in N. Y.

James J. Daly Jr. has been named director of sales and account executive of F. E. Seymour agency, Buffalo.

Mr. Daly has for several years operated his own business as an independent insurance broker in Buffalo. Prior to opening his own offices, Mr. Daly was with Aetna Casualty.

## Ward Heads Boston's NE Regional Office

Boston-Old Colony group has opened a New England regional office at 141 Milk street, Boston, with H. Beach Ward, assistant secretary, in charge.

Other key personnel are George A. Liddell, fire manager; William C. Woodside, assistant fire manager; Everett M. Fuller, special risks manager; Charles L. Beecher, casualty manager; Kenneth B. Scott, inland marine manager, and Richard C. Da-

mon, claims manager.

With the exception of ocean marine cover, all business from New England agents previously serviced at the home office, 87 Kilby street, will now be serviced at the new location. The present Boston casualty branch office already located at 141 Milk street, will be continued there under Joseph C. Himmel, branch casualty manager, and Mark K. Boyles, branch claims manager.

The Biggs agency at Ellisville, Mo., has moved to offices at Clarkson and Manchester roads.

# IT HELPS

All that we have ever claimed for advertising in The National Underwriter is that it will *help* a company succeed more quickly and in greater measure than would be the case without it.

But advertising alone and of itself cannot accomplish the whole job. It cannot make a good company out of a poor one. It cannot provide a company with financial resources, age, efficiency of operation, satisfied agents and all of the other features that make a company attractive and desirable.

But it can help.

What happens to companies that do no such advertising? Only a very few have ever attained real success. We know the names of those that have, but they are merely the exceptions that prove the rule.

The non-advertising company is simply failing to make the investment in its future that success demands. In insurance as in all modern business, the advertised company is the successful company.

If your company is in need of help, try some of ours. Its benefits are constant and demonstrable. National Underwriter advertising does not provide a cure-all or a panacea. It is not a substitute for management, intelligence or know how. It is a definite, traceable aid to growth, expansion and success in the building of morale and good will. It helps.

## The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



Number 34 of a series.

*\* unquestionably, an SWG man!*

You can pick him out of any crowd!  
He's experienced, alert to your problems and trained to solve them. Among the top men of the area, an SWG man is given authority to make decisions and we back him all the way. You'll be amazed at how much easier that makes business!

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## American Plan Elects Cunnagin

Clyde Cunnagin has been elected executive vice-president of American Plan Corp. of New York which specializes in insurance requirements of financial institutions. Mark M. Hart is president and chairman.

Mr. Cunnagin has been with the firm since 1952 as vice-president and head of the production department. He formerly was with Motors Ins. Co. as sales representative. While with the General Motors organization, he attended the sales promotion school at General Motors institute and graduated from the company's staff adjusters school.

William L. Olsen Jr. has been elected secretary of American Plan. He was with Motors 17 years as staff adjuster and claims auditor.

Other promotions include Charles S. Williams to assistant secretary as chief underwriter and agency supervisor; Ronald W. Hart to assistant secretary as head of the credit life department, and Joseph R. Grasso to assistant treasurer. Mr. Grasso has been chief accountant a number of years.

American Plan handles physical damage insurance emanating from financial institutions. It specializes in automobile and mobile home insurance, and writes credit life and A&S in conjunction with this business.

## Hartford Accident Names Kelly in Southern Idaho

Hartford Accident has named Don Kelly special agent for southern Idaho with headquarters at Boise. He succeeds Clyde Vannatta, who has been transferred to the company's Seattle office.

Mr. Kelly joined Hartford in 1951. He has held several positions in the company's San Francisco office and also served as payroll auditor for northern California.

## \$1,500 in Prizes for Slogan Contest

Winner of the contest to select an insignia, symbol, seal or designation to distinguish the independent local agent from direct writer competitors will receive a cash prize of \$1,000 from National Assn. of Insurance Agents. Additional prizes of \$250 for second, \$100 for third, \$75 for fourth, \$50 for fifth, and \$25 for sixth prize will be awarded. John C. Stott, Norwich, N. Y., is chairman of the NAIA public relations committee in charge of the contest.

The contest is open to NAIA members and their employees and the officers and employees of companies which use the agency system. Excluded from participation are members of the NAIA executive committee and the PR committee and their employees, as well as the staff of NAIA.

Judges for the contest are Guy T. Warfield Jr., Baltimore, past president of NAIA; John N. Cosgrove, assistant vice-president of American, and Elmer Miller, insurance editor of the New York Journal of Commerce.

All contest entries must be postmarked not later than Aug. 1 and be directed to NAIA Headquarters, 96 Fulton street, New York. Winners will be announced at the annual NAIA convention in New York Sept. 17-19.

## Naef Named President of Northwest General Agents

Aubrey Naef of Seeley & Co., Seattle, has been elected president of Northwest General Agents Assn. at the annual meeting held at Seattle. He succeeds R. R. Groninger of Groninger & Co., Seattle.

H. T. Hansen of Hansen & Rowland, Tacoma, was elected vice-president and J. Conrad Lamping of Lamping & Co., Seattle, secretary-treasurer.

Named to the executive committee were: Mr. Groninger, Lloyd Trantow of Washington general agency, Seattle; Phil Grossmayer of Grossmayer & Co., Portland, and Guy Frazier of Frazier & Co., Seattle.

## Humphreys on Tapis

Insurance Commissioner Humphreys was scheduled to appear this week before the Massachusetts house to testify on his charge that Rep. Canavan served as spokesman for Allstate in backing compulsory auto insurance rate proposals.

Rep. Canavan led the Democratic attack on the merit plan and the commissioner's rate schedule last fall. He denied that he was acting for Allstate and said the commissioner attacked him in an attempt to becloud the fact that compulsory insurance rates were about to rise and that the public resented the merit system.

## STOCKS

By H. W. Cornelius Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, Jan. 17, 1956.

	Bid	Asked
Aetna Casualty .....	132	137
Aetna Fire .....	70	72
Aetna Life .....	208	212
Agricultural .....	38	39
American Equitable .....	38½	39½
American Auto .....	24½	25½
American, (N.J.) .....	32	33
American Motorists .....	15	16
American Surety .....	100	102
Boston .....	41	42
Camden Fire .....	26½	27½
Continental Casualty .....	120	123
Crum & Forster com. ....	67½	69
Federal .....	36	37
Fire Association .....	55	57
Fireman's Fund .....	65	67
Firemen's, (N.J.) .....	41¾	42¾
General Reinsurance .....	48½	50
Glens Falls .....	68	70
Globe & Republic .....	23	24
Great American Fire .....	39½	41
Hartford Fire .....	153	155
Hanover Fire .....	46	48
Home (N.Y.) .....	49	51
Ins. Co. of No. America .....	107½	110
Maryland Casualty .....	36½	37½
Mass. Bonding .....	47½	49
National Casualty .....	56	60
National Fire .....	123	130
National Union .....	44	46
New Amsterdam Cas. ....	51½	54
New Hampshire .....	44	46
North River .....	44	48
Ohio Casualty .....	94	Bid
Phoenix Conn. ....	88	90
Prov. Wash. ....	27	28½
St. Paul F.&M. ....	52½	54
Security, Conn. ....	52	55
Springfield F.&M. ....	64	66
Standard Accident .....	56	58
Travelers .....	81	82½
U.S.F.&G. ....	66	68
U.S. Fire .....	28½	29½

## SPECIAL AGENTS

Ex Fire, midwest .....	\$10,000
Ex Casualty, midwest .....	8,000
Fire, Illinois .....	6,500
Multiple Line, Indiana .....	6,800
Casualty, Nebraska .....	6,500
Bond, Illinois .....	7,500
A & H, Illinois .....	6,500
Marine, Cook Co. ....	7,200
Auto, midwest .....	6,200
Casualty, Michigan .....	6,500
Fire, Missouri .....	6,000

Of course, all correspondence is confidential.

## FERGASON PERSONNEL

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## Phoenix-Great Eastern Merger to Be Voted on by Stockholders Feb. 23

Phoenix of Hartford stockholders, at the annual meeting Feb. 23 in Hartford, will vote on amending the charter in line with an enactment of the last legislature allowing an increase in authorized capital from \$20 million to \$50 million. The notice states that there is no increase contemplated at the present, but the directors feel it advisable to include a provision in the charter in order to take care of a possible need for an increased capital in the future. Also to be taken up is the provision to allow Phoenix to merge or consolidate with other companies after receiving approval from the Connecticut department, and an approval of the merger of Great Eastern Fire into Phoenix. An agreement for merger has been dated as of Jan. 9, and has been approved by directors of both companies and by the New York and Connecticut departments.

## W. I. Whiting Retires from Gould & Gould

W. I. Whiting has retired as treasurer of Gould & Gould Inc., Seattle general agency. He had been with Gould & Gould as chief accountant for 20 years. Oliver Hesla has taken charge of the accounting division and has been appointed assistant treasurer.

Mr. Whiting started in insurance as officer manager for the Tom C. Ordeman Co., Portland independent adjusters. After several years with Ordeman, he went with C. B. DeMille general agency in Portland as adjuster and accountant. He transferred to Seattle a year later as head of the claims department for DeMille and joined Gould & Gould in 1936. He was presented with a boat and outboard motor at a recent staff party in his honor on the occasion of his retirement.

Mr. Hesla is a CPA and prior to joining Gould & Gould, he had been with Pearson & Verhoef, Seattle CPA firm.

## Ruling on Ore. Timber

The Oregon department has issued a bulletin on the eligibility of treating felled and bucked timber and cold decked logs as marine insurance, holding that such timber in the woods is considered in storage which storage is incidental to transportation and therefore eligible to be insured under a marine contract. Felled and bucked timber and cold decked logs on the mill site of a sawmill or any other location not in the woods are considered raw material awaiting processing and are not eligible for marine treatment.

## Names New Officers

American Universal has elected Meyer Saval secretary, Francis P. Feeney assistant treasurer and Ellsworth C. Massey assistant secretary.

Mr. Saval, former assistant secretary, is in charge of the company's agency department and its program for admission into additional states.

Mr. Feeney joined the company's accounting department six years ago.

Mr. Massey started in insurance with Boston in 1923 and joined American Universal in 1953 as chief fire underwriter for special lines.

## Ore. Issues Credit Cover Rule

The Oregon department has issued a bulletin stating that the regulations adopted last August governing credit life and credit A&H will be applied to business in force prior to that time on policy anniversary dates, and in no event later than Aug. 15, 1956.

No commission in excess of 10% of the premium on credit insurance shall be paid to any person not licensed as

an agent, the bulletin states. A limited credit license can be obtained after passing a qualifying examination. Agents holding life or disability licenses may write credit insurance without obtaining an additional license.

## Plan Installment Legislation in N. Y.

Legislation is being prepared for introduction in New York which would require those financing installment purchases to make clear to the buyer what kind of insurance is in the package, and how much is being charged for the financing and how much for insurance. There are requirements to this effect in the law but they are not adequate to bring about full compliance. This is part of a program of legislation that is being proposed for the retail credit field with administration and business backing.

## Nelson Named Berkshire Special in Mass., Vt.

Berkshire Mutual Fire has appointed Alfred R. Nelson special agent for western Massachusetts and Vermont with headquarters at Pittsfield, Mass. He previously was special agent for Mill Owners Mutual of Iowa.

## Joseph K. Hooker Is Retiring at Aetna Casualty

Joseph K. Hooker will retire April 1 as vice-president of Aetna Casualty and Standard Fire.



J. K. Hooker

He will continue as a director of Standard Fire, a post he has held since 1924. A prominent figure in the fire insurance field, he has been for many years head of the fire insurance division of Aetna Life affiliated companies.

Mr. Hooker joined Standard Fire when the company was organized in 1910. He became assistant secretary in 1915, secretary in 1921, and vice-president in 1924. In 1929 he was appointed vice-president also of automobile.

Mr. Hooker has been active as an officer and a member of many industry-

wide organizations in fire insurance. He is on the executive committee of National Board, Inter-Bureau Insurance Advisory Group, Texas Insurance Advisory Assn. and Eastern Underwriters Assn., and is a former president of the latter organization.

He is a governor of New England Fire Insurance Rating Assn. and a director of General Adjustment Bureau. He served several terms as president of Factory Insurance Association, formerly was vice-president of Southeastern Underwriters Assn. and trustee of Insurance Executives Assn. He has served for years as chairman of the trustees of Hartford grammar school, and for more than 10 years was a member of the metropolitan district commission.

## Surplus of Standard of Tulsa Upped \$400,000

Stockholders of Standard of Tulsa have made a voluntary contribution to surplus of \$400,000. The company had an increase in its writings of more than 10% in 1955. The extra \$400,000 produces a gross surplus in excess of \$1,800,000 as of Dec. 31.

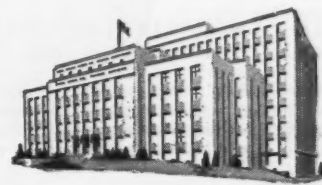
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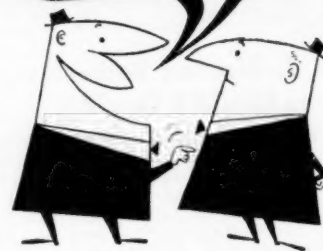
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## Convention Dates

- Feb. 21, Fire Department Instructors conference, Memphis.
- Feb. 22-24, Michigan Assn. of Insurance Agents, midyear, Sheraton-Cadillac hotel, Detroit.
- Feb. 27, West Virginia I-Day, Fredrick hotel, Huntington.
- March 5-7, National Assn. of Surety Bond Producers, annual, Roosevelt hotel, New Orleans.
- March 7-8, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
- March 9-10, State Mutual Agents Assn. of Pa., annual, Ben Franklin hotel, Philadelphia.
- March 9-10, Tri State Assn. of Mutual Insurance Agents, annual, Ben Franklin hotel, Philadelphia.
- March 12-13, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Carteret hotel, Asbury Park.
- March 22-24, Texas Assn. of Mutual Insurance Agents, spring meeting, Austin.
- March 23-24, Assn. of Insurance Attorneys, annual, Atlanta, Ga.
- March 26-27, Far West Agents conference, annual, Sheraton-Palace hotel, San Francisco.
- April 3-4, Virginia-D.C. Assn. of Mutual Insurance Agents, annual, Homestead, Hot Springs, W. Va.
- April 4, Chicago Insurance Day, Palmer House.
- April 5-7, Southern Agents Conference, Francis Marion hotel, Charleston, S. C.
- April 8-10, National Assn. of Insurance Agents, midwest territorial conference, St. Paul.
- April 8-10, Mutual Agents Assn. of New York, annual, Hotel Syracuse, Syracuse.
- April 13-14, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.
- April 13-14, Rocky Mountain Territorial Conference, Broadmoor hotel, Colorado Springs.
- April 15-17, Mississippi Assn. of Mutual Insurance Agents, annual, Vicksburg hotel, Vicksburg.
- April 16, Rhode Island Assn. of Insurance Agents, midyear, Sheraton-Biltmore hotel, Providence.
- April 16-17, Iowa Assn. of Mutual Insurance Agents, annual, Hotel Savery, Des Moines.
- April 22-25, Eastern Agents Conference, annual, Hotel Statler, Hartford.
- April 23-25, State National Directors of NAIA, midyear, Hotel Statler, Hartford.
- April 30-May 2, Chamber of Commerce of the U.S., annual, Washington, D. C.
- April 30-May 2, Iowa Assn. of Insurance Agents, annual, Hotel Savery, Des Moines.
- May 3-5, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- May 3-5, National Assn. of Independent Insurance Adjusters, annual, San Souci hotel, Miami Beach.
- May 6-8, Florida Assn. of Mutual Insurance Agents, annual, The Colonnades, Riviera Beach.
- May 6-8, Alabama Assn. of Insurance Agents, annual, Whitley hotel, Montgomery.
- May 7-8, New York Assn. of Insurance Agents, annual, Syracuse.
- May 7-9, Board of Fire Underwriters of the Pacific, Santa Barbara Biltmore hotel, Santa Barbara.
- May 9-11, American Management Assn., insurance conference, Roosevelt hotel, New York.
- May 10, Surety Assn. of America, annual, New York.
- May 10-12, Florida Assn. of Insurance Agents, annual, George Washington hotel, Jacksonville.
- May 13-16, H&A Underwriters Conference, annual, Hotel Statler, Boston.
- May 14, National Bureau of Casualty Underwriters, annual, New York.
- May 14-15, Kentucky Assn. of Insurance Agents, Western District, Kenlake State Park, Hardin.
- May 14-15, Oklahoma Assn. of Insurance Agents, annual, Mayo hotel, Tulsa.
- May 16-18, National Assn. of Insurance Brokers, Boston.
- May 17-19, North Carolina Assn. of Insurance Agents, annual, Hotel Carolina, Pinehurst.
- May 17-19, Texas Assn. of Insurance Agents, annual, San Antonio.
- May 17-19, Arkansas Assn. of Insurance Agents, Arlington hotel, Hot Springs.
- May 20-22, Insurance Accounting & Statistical Assn., Hotel New Yorker, New York.
- May 20-23, Inland Marine Underwriters Assn., annual, Shawnee Inn, Shawnee, Pa.
- May 20-23, Inland Marine Insurance Bureau, annual, Shawnee Inn, Shawnee, Pa.
- May 21-22, Kentucky Assn. of Insurance Agents, Eastern District, Cumberland Falls State Park, Corbin.
- May 21-23, American Assn. of Managing General Agents, annual, Shamrock hotel, Houston.
- May 23, Midwestern Independent Statistical Service, annual, Bismarck hotel, Chicago.
- May 23, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York.
- May 23-25, Georgia Assn. of Insurance Agents, annual, Oglethorpe hotel, Savannah.
- May 24, National Board of Fire Underwriters, annual, Hotel Commodore, New York.

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# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### How One Association Solved Insurance Problems of the Schools in Its County

Sidney A. Singleton, local agent of Orlando, in response to requests for information, wrote the following article in *The Insur-Agent*, publication of Florida Assn. of Insurance Agents, on the Orange county school board insurance placement plan.

In the latter part of 1949 the Orange county school board became concerned over the condition of its insurance program. There had been no planning, no review and no survey of values for a number of years. Insurance had been handled on a political or friendship patronage basis and each school district was controlled by the board member from that district.

Judson Walker, superintendent of schools, had been appointed chairman of a committee to investigate the school insurance programs on a statewide basis. The report of his committee indicated that something should be done state-wide to improve the handling of school insurance. In fact, the situation was such that the committee recommended the adoption of a self-insurance program or the purchase of mutual insurance. The committee felt that the school boards of the various counties were not receiving proper treatment and, further, that the insurance programs were far too costly for the amount of insurance involved.

Accordingly, upon return to Orlando by S. A. Singleton, a director of the Florida association, the local board was apprised of the situation and a committee was appointed, with Mr. Singleton as its chairman, to handle the Orange county situation.

The local school board was approached and the program was begun to survey the needs of the school system.

During the course of the survey the committee found that the board had 138 separate fire insurance policies with various expiration dates, some on a schedule basis, some on an individual basis. Some buildings were insured for as little as 5% of their actual value and some were insured in an amount apparently exceeding their actual value. The average rate was slightly over \$1 per \$100.

The committee recommended two alternatives. The first was blanket coverage equal to 90% of the agreed values of all properties. The second was a schedule with 25% to value on protected schools and 75% to value on unprotected schools. The school board was to be provided with not more than 10 policies covering all property.

The school board selected the schedule basis, since the cost was within their operating budget.

Immediately upon information that a survey was under way by Orlando

Insurers Assn., considerable opposition presented itself from agents in other sections of the county. Accusations were made that the Orlando association was attempting to monopolize the insurance. At a very bitter meeting between Mr. Singleton's committee and the agents from other parts of the county it was explained that the intent was to divide the commissions among all policy writing, licensed local agents in the county.

The final agreement resulted in an equal division of the commissions among all local agencies, excluding agents of direct writers. The insurance was to be apportioned with the three sections of the county writing insurance in an amount proportionate to the values of their section. This resulted in West Orange county receiving 21% of the insurance, Winter Park 10%, and Orlando 67%. The policies were apportioned two to West Orange county, one to Winter Park and seven to Orlando.

Since American Fire & Casualty has its home office in Orlando and since the mutual agents had been writing a portion of the schedule, one of the seven policies allocated to Orlando was placed with the American Fire & Casualty and one with a mutual agent. No one in Orange county can truthfully state that his group is not represented in the insurance program.

In making the survey for the fire insurance, every property was inspected and a diagram made of it. A detailed inspection blank was filled out on each school building, giving the recommendations of the inspector.

At this time the school board undertook a huge building program which entailed the providing of builder's risk during construction and the picking up of the final values upon completion. A system of binders was worked out with the participating companies to provide this necessary coverage and to provide insurance upon completion, until the next anniversary of the schedule.

Since the program was put into operation in March, 1950, the rate has been reduced by 60%. Although the values have more than doubled, the amount the school board spends for insurance in Orange county has not increased since 1950.

A survey of the casualty and bond programs was conducted concurrently with the fire survey. Liability and fire insurance on the school busses was prepared on a fleet basis. Blanket bond was arranged covering all employees of the school board, broad form money and securities was placed on all schools having a lunch room or other monetary exposures, such as athletic funds, etc. This coverage was extended to include messengers and athletic funds

at stadiums or other localities. It was also endorsed to include lunch room money belonging to the P.T.A.

A survey was conducted on boilers, hot water heaters and other vessels presenting an explosion hazard. Blanket coverage was provided for this exposure.

Workmen's compensation insurance was purchased in lieu of the self-insurance program previously in effect. A credit of 16% was secured under the workmen's compensation for good experience. (Since that time the compensation has developed a debit.)

Safety engineering and inspection service was provided on all types of insurance including the fire schedule to encourage fire safety in the schools.

The school bus fleet now enjoys a 40% credit on liability and an extremely low rate on fire and lightning.

Miscellaneous coverages such as musical instruments and motion picture projectors are paid for by individual school funds and are not included in the school insurance program, although they are handled through the school insurance committee.

It is felt that at the present time the Orange county insurance program has been satisfactory to all agents in the county, including those who originally opposed the program, and there is very little criticism. All matters of insurance are referred to the committee by the school board.

Each year the committee prepares an insurance budget for the school and breaks down the insurance costs in accordance with the requirements of the state superintendent of schools.

All premiums on insurance are paid directly to the association treasurer. The treasurer pays the net amount due the agent. Orlando Insurers Assn. retains 5% of the premium for its services and expenses. The balance of the commission is divided among all agencies in the county equally, and regardless of the number of companies each agency represents. Insurers Assn. pays for the preparation of all schedules and all other expenses in connection with the handling of the program.

On policies such as fleets and on compensation, the agent who writes the business retains 5% of the premiums for his services. On all other types of insurance, the agent retains no commission.

### Travelers Revises Vacation Setup

Travelers has granted employees up to four weeks' annual vacation and will permit them to accrue unused portions of it for an extra long, future vacation of up to eight weeks.

President J. Doyle DeWitt said the new schedule will be effective on 1956 vacations. The company has revised its schedules of service days, which are days of leave granted in recognition of length of service, ultimately making available the four week vacation to everyone on the staff.

### Foreign Scope of Insurance School Promoted in N. Y.

Insurance Society of New York is promoting the worldwide scope of its school of insurance through a new window display at American International Underwriters building in New York City.

At a luncheon marking the opening of the display, E. A. G. Manton, AIU president, presented Edward King of Hooper-Holmes Bureau, president of the society, and A. C. Goerlich, vice-president and dean of the school, an unusual book, the 75 year history of Munich Re of Germany, to add to the society's collection of foreign insurance company histories.

AIU has provided the display space to assist in publicizing the school's work prior to the spring semester which starts Feb. 6. Two of the windows display rare and unusual foreign insurance books. The third depicts, through an arrangement of maps, the international character of the student body.

### Agent Comments on Christmas Editorial

A subscriber, who operates a successful agency, writes:

"Your editorial of Dec. 8, 'Preparing for the Christmas Season,' is very interesting. I have read the pros and cons of the Christmas office party. We have had one each year for about 25 years—they seem to get better and better each year. We take the party entirely away from the office, have an elegant dinner at one of the hotels. No husbands and/or wives are invited: it is strictly an office party. I think definitely it builds morale, gives a social contact that is extremely valuable; yet it need not in any way break down the efficiency of the organization.

One item I did not see discussed is how to arrange the seating at the head table. There must be a head table and a master of ceremonies, and the latter cannot of course be seated alone. It is quite a problem, and I'm a bit curious about how that is handled by others.

We always have a group picture taken, we have a very excellent dinner, a little entertainment, then we pass out gifts. There is an exchange of gifts, then the firm gives an individual gift to each person present and presents bonus checks to employees.

Of course company state agents and their staff are invited; also the fire and casualty adjusters and representatives of the rating bureaus.

Your editorial makes people think about their Christmas program, and do a bit of checking to see if it is a good thing when you consider all angles. We think ours is an excellent party.

### Firemen's of D. C. Declares 40¢ Extra

Firemen's of Washington, D. C., has declared an extra 40 cent dividend payable Feb. 1 to stockholders of record Jan. 16.

NO. 2 OF A SERIES



## Service does Pay

*Says a Pearl-American Agent in Northeastern Iowa. This is his story:* "One of my clients asked me if I could get trip insurance for two women friends of his wife who contemplated touring Europe for four months. They had been told that because their itinerary included East Germany such insurance

could not be obtained. I contacted your fieldman and he, through your New York office, arranged two inland marine policies in an international organization. Because of the contemplated visit to East Germany there was a considerable increase in premium but regardless, my client's friends were happy. While I cannot put my finger on a substantial line which came to me as the result of this incident, I do know that my client and these two women 'bragged' about what THEIR insurance agent did and I know such word of mouth advertising isn't going to hurt me in my small town."

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### WE BELIEVE

the properly qualified "Independent" local agent can best SERVE the insuring public. Unlike the "Captive" agent he is free to utilize the insurance facilities of the world. In the present and continuing struggle between "Independent" and "Captive" agents it is important that this capacity of THE "Independent Local Agent" to SERVE be emphasized again and again. This series of twelve actual stories of everyday service rendered by "Independent" agents is published in that spirit. Reprints are available without cost or obligation.

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## Stockholders of Hartford Fire to Vote on Special Conn. Legislation

Stockholders of Hartford Fire at the annual meeting Feb. 23 in Hartford will vote to accept the special act of the Connecticut legislature authorizing the company to classify directors according to term of office, remove obsolete provisions in the charter, authorize notice of meetings to be given in the manner prescribed in the by-laws, permit the company to merge or consolidate with or acquire the assets of other companies, and authorize an increase in capital from \$40 million to \$60 million.

## Hearing Jan. 23 on Ind. Funds of Inland Empire

Federal court proceedings have been brought against the Indiana department to force it to turn over to the federal receiver of the company the \$20,000 deposit made by Inland Empire.

Notifying all Indiana creditors of Inland, Commissioner Davey suggested they take the opportunity at the hearing to intervene through counsel and assert any rights to priority in the distribution of the funds now held by the department.

The hearing will be held in Indiana federal district court at Indianapolis on Jan. 23.

## Babaco Expert Says Burglaries Increasing

William J. Fyffe, staff member of the security division of Babaco Alarm Systems, cautioned business men and insurance underwriters against complacency about theft prevention in a talk before the Mariners Club in New York City.

Mr. Fyffe, former sergeant of the New York police department, said that property crimes are increasing. He described various methods and tools used by burglars. He said that insurance men can help prevent crimes by increasing their efforts to have their insured take theft precautions.

## Heads Hartford Board

John B. Crosson of George B. Fisher Co., Hartford local agency, has been elected president of Hartford board. He succeeds J. George Schilke Jr. Other officers are John K. Winter, vice-president, and E. S. Cowles III, secretary.

Walter E. North of New Haven, president of Connecticut Assn. of Insurance Agents, was guest at the annual luncheon and presided at the installation of officers.

## Minn. Buyers Slate Clinic

A "problem clinic" for insurance buyers will be conducted Jan. 24 by Minnesota chapter of American Society of Insurance Management. Members of the panel will be Ralph Towey, Rochester, Minn.; Ray F. Boettcher, Austin, and Howard Weber, St. Paul. K. N. Cervin, will be moderator.

## Ida. Agents Plan Emergency Meet

A special emergency meeting of the board of Idaho Assn. of Insurance Agents has been scheduled for Feb. 3 at the Owyhee hotel, Boise, by President Clifford W. Lundquist.

The importance of the meeting was stressed by Mr. Lundquist, who indicated that the future of the association might be influenced.

Edward H. Gillman, secretary of W. S. Brown agency of New York, has been appointed to committee on losses and adjustments of New York Board to fill the vacancy of David S. McFalls who resigned.

## Walker and Rehm Join Central Mutual in Expanding N. Y. Office

Lawrence Walker has joined the New York office of Central Mutual as agency automobile supervisor and Ralph Rehm has been named brokerage fire underwriter.

Mr. Walker has been compensation, liability and automobile underwriter with Aetna Fire. He entered insurance as an underwriter with Royal-Liverpool group. He is a director of New York CPCU chapter.

Mr. Rehm has been in the metropolitan brokerage department of Glens Falls working in local and country-wide underwriting. He began his career as an underwriter with New York Underwriters.

## Fireman's Fund Issues New Production for Profit Kit

Fireman's Fund group has brought out the fifth in its series of "Production for Profit" insurance technical and sales text books. The newest one takes up ocean marine. In 40 pages, including a 10-page visual aid, the kit explains the wet marine coverages, how to sell, who to sell, and includes a glossary of the terms.

Fireman's Fund agents are now receiving kits from field men. The other kits cover fidelity and surety, A&S, business interruption and inland marine.

## Briggs Named Special

Paul E. Briggs has been appointed special agent for Fred. C. Campbell & Son, managing general agents for West Virginia at Wheeling. Mr. Briggs will make his headquarters at Charleston.

Prior to joining Campbell & Son, he was special agent in West Virginia for Commercial Union group.

## RBH Opens St. Louis Office

Rollins Burdick Hunter Co. has organized a Missouri corporation with offices in St. Louis. John B. Sturges and Robert S. Pike will be in charge as vice-presidents and directors of the Missouri operations.

## Biehl to Boston Claim Post

Bernard Biehl has been named by St. Paul F&M, as claim manager of the newly established New England department at Boston. He will be under the supervision of George W. Coward, resident vice-president and general manager.



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## W. A. Waters Heads N. Y. City Agents

New York City Insurance Agents Assn. elected William A. Waters of Hall & Henshaw president at its annual meeting. William A. Hanssler is the new vice-president and Alan Eifert chairman of the executive committee.

Other committee chairmen are Robert C. Mehorter of McDaniel & Co., membership, and Thomas Fraser, public relations.

Albert E. Mezey, retiring president, said the association has been designated by National Assn. of Insurance Agents to act as host at the annual NAIA convention in New York City Sept. 17-19. Mr. Mezey was presented a desk set by the association.

## Home Fire Alarm Firm Cited by FTC

Federal trade commission has issued a complaint against National Fire Safety Counsellors of Irvington, N. J., charging its salesmen used improper methods and tactics to sell the firm's home fire alarm systems. Also listed as respondents are the firm's officers, Robert L. and Howard Berko. A hearing is scheduled to be held at Irvington March 14. The complaint states that the salesman represents, in a telephone conversation, that he is with the federal government or some civic organization, and that in the home calls he uses scare tactics. The complaint also charges that the salesman states that credits will be given the buyer for furnishing names of additional prospects, that the cost is only a few cents or dollars a month, and that the salesman fails to tell the purchaser how the contracts and notes are dealt with after the sale.

## Safety in Welding to Be Topic for Fire Engineers

Robert P. Palmer, general foreman of welding, Wheeling Steel Corp. of Steubenville, O., will discuss safety in welding operations at a joint meeting of Chicago Chapter of Society of Fire Protection Engineers and the engineering division of Greater Chicago Safety Council, Jan. 26 at Chicago.

Mr. Palmer will discuss the subject

and give demonstrations on the proper use and handling of oxygen cylinders, equipment, and oil and oxygen under pressure.

## Mandatory EC \$50 Deductible in Md.

Maryland Fire Underwriters Rating Bureau has promulgated new extended coverage rates and the mandatory \$50 deductible. Previously the \$50 deductible rate was five cents, and the full cover was nine cents. The new rate is eight cents with the mandatory deductible. Surveys show, according to the rating bureau, that more than 95% of the EC has been written full cover. Stock company experience for the five years ended with 1954 shows losses and loss adjustment expense of \$17,285,000 compared with an earned premium of \$16,592,000.

## Vannatta to Seattle Post

Hartford Accident has appointed Clyde E. Vannatta as casualty underwriter at Seattle. Mr. Vannatta joined Hartford Accident at San Francisco in 1947. In 1952, he was appointed special agent at Boise.

## Miss. Bans New Insurers Till Law Gets Standards Up

Insurance Commissioner Davis of Mississippi has issued a moratorium on the organization of new insurers in that state until the legislature increases financial requirements for them. Mr. Davis expects to introduce in the current legislature bills which would increase the present requirement for A&S companies from \$50,000 paid in capital and no surplus to \$200,000 capital and \$100,000 surplus. Industrial or weekly premium life insurers would have to have \$100,000 capital and \$50,000 surplus instead of the present \$25,000 paid in capital and no surplus. Mutual fire and casualty companies would be required to put up \$50,000 in surplus. Presently all they have to have is 200 policyholders.

Mr. Davis also has issued an order prohibiting out-of-state insurers from writing or using policies in Mississippi which have been prohibited in their home state.

He said he had taken actions at the present time to prevent any influx of

investors and speculators from states which have raised their requirements, including Texas. The moratorium does not apply to insurers which already have filed applications or have applications in process. Half of the insurers domestic to Mississippi have been organized up to now are solid companies with adequate capital, but there is reason to believe that some insurance speculators are looking in the direction of Mississippi to take advantage of the low requirements for new companies.

## F.&D. Names Wagner Judicial Unit Head

Nathan A. Wagner, assistant manager of the judicial underwriting department of Fidelity & Deposit and American Bonding, has been promoted to manager. He has been continuously with the judicial underwriting organization of F.&D. since 1935. He became an assistant secretary and assistant manager of the department in 1946.

R. E. Busbey, treasurer of Hardware Mutuals of Stevens Point, has been elected a director of First National bank of Stevens Point.

## PEPPY FREDDY, the fieldman, says:



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Thomas Q. Winkler, seated left, has been elected president of New Orleans Insurance Exchange. Other officers are John A. Barry, seated right, vice-president; Alfred M. Barnes Sr., standing left, secretary, and Charles L. Rittenberg, treasurer. Mr. Winkler organized and became president of Winkler & Co. agency in 1946.

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## Knoblock in Charge of Fireman's Fund Business in N.Y.C.

Henry E. Knoblock, vice-president of Fireman's Fund Indemnity, has been named the senior executive of New York metropolitan operations by all companies of Fireman's Fund group. He recently was appointed resident vice-president of the group's fire companies and National Surety.

H. E. Knoblock

Coincident with his selection, the group consolidated the Fireman's Fund and National Surety metropolitan departments with headquarters at 116 John street.

Mr. Knoblock has held responsible posts with Fireman's Fund more than 25 years. In his new assignment, he will have executive supervision of all group operations in the metropolitan

area except ocean marine lines. In addition, he will continue as the group's senior casualty executive in the eastern territory.

## Claim Solution of Brinks' Big Robbery

The FBI has announced that it has solved the Brinks robbery which occurred in Boston Jan. 17, 1950. The federal agency indicated that it has arrested six men in Boston, that two other suspects are in prison on other charges, one is dead and two are still being sought.

This was the largest robbery in the U.S. and consisted of \$1,218,211 in cash and \$1,557,183 in checks, money orders and securities for a total of \$2,775,395, none of which ever has been recovered.

The loss was fully insured in Commercial Union under its armored car floater.

## Badger State in New Home

Badger State Casualty, which formerly occupied leased quarters in downtown Milwaukee, has moved to a new \$250,000 home office at 5434 West Capitol drive, Milwaukee. The company plans to enter other states soon.

## Food Chain Studies Idea of Forming Multiline Insurer

The word on John street in New York is that the "eastern multi-million dollar retail corporation" which advertised in a New York newspaper recently for an enterprising insurance executive to develop and manage a strong new fire-casualty company, may be Food Fair, Inc., Philadelphia.

## Pa. Issues Order on Collision Classes

Commissioner Smith of Pennsylvania has issued an order to all companies doing private passenger automobile collision business in the state, to the effect that compliance with filed private passenger automobile classifications is mandatory. The directive apparently grew out of misclassification of collision risks by some auto finance insurers.

The order states that the insurance department will not allow the use of excessive rates for collision insurance in cases where the agent or broker ne-

glects to obtain sufficient rating information from insured to classify the risk properly.

## Spiese, Myrick Are Advanced by Glens Falls at Chicago

Charles S. Spiese and Max L. Myrick, who have just been appointed assistant agency directors of Glens Falls, will have headquarters in the central department at Chicago, and not at the head office, as was incorrectly stated in a previous issue.

Mr. Spiese joined Glens Falls in 1938 in the underwriting department at the Chicago office. Since then he has served as underwriter, special agent and superintendent of the metropolitan branch fire division.

Mr. Myrick had five years' experience with Missouri Inspection Bureau and in 1950 joined Glens Falls as special agent, a post in which he has served in the western Missouri and Kansas fields.

## D. C. Board Upholds Responsibility Law

Board of commissioners of Washington, D. C., has upheld the new safety responsibility law of the district in the first appeal from a driver's license suspension.

The case involved Raymond L. Adams of Washington, D. C., who was found to be without auto insurance after an accident last September. He was ordered to deposit \$250 or lose his license. He applied for an extension of time pending outcome of suits in municipal court. Traffic Director Keneipp recommended the suspension be enforced and the commissioners upheld him. The new law went into effect last spring.

## T. J. Gainer Joins Redding Agency

Thomas J. Gainer has resigned as casualty manager of the Portland branch of United Pacific to join the Martin Redding agency of Newberg, Ore.

Mr. Gainer joined United Pacific at Seattle in 1950 as an underwriter and in 1953 transferred to Portland. Prior to joining United Pacific, he attended General of Seattle's fire, casualty and surety school and spent two years with Sparkman & McLean, Seattle local agency. He recently completed law and insurance studies sponsored by CPCU Institute at Philadelphia.

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## Report on S.C. Regulation Calls for Several Changes

The committee appointed to investigate the administration of the insurance commissioner's office in South Carolina has reported to the state legislature. The committee concludes that the state's insurance laws need extensive revision but such an undertaking on the part of the committee was impossible due to lack of time. Consequently, the committee recommended in its present report only those changes which it felt were most immediately needed.

One of the important recommendations of the committee dealt with forms and deviations. Testimony and evidence submitted to the committee, according to the report, indicates that many fire and casualty policies commonly and most frequently written in South Carolina vary as to conditions and coverages. The public generally understands that policies on the same subject of insurance are essentially standard. A standard condition does not exist with respect to the policies that some companies issue indemnifying for property damage on dwellings and a similar condition exists with regard to some of the automobile physical damage and liability policies issued in the state.

Consequently, the committee recommended that the insurance department undertake a thorough study of this condition and that it consult with interested persons in the insurance business with the idea of establishing by rule or administrative procedure more standardization of these forms of policies.

The department now is in process of forming an industry committee to recommend specific answers to the problem. J. E. McDavid, deputy commissioner, one of those frequently consulted by the legislative committee, has frequently indicated that he regards deviations and independent filings as one of the areas in which the insurance department has little guidance from the laws or little precedence on which to chart a course.

The committee also concluded that there is need for more accurate measurement of rates used by fire and casualty companies in the state. From evidence of testimonies submitted to the committee, the report states, it is difficult to comprehend a large degree of variation between rates of different insurers on the same classes of indemnity or liability insurance. This

degree of variation is especially evident in dwelling physical damage cover and property damage liability insurance on automobiles.

The committee also recommends that the department thoroughly investigate the various conditions that produce rates, that it consult with the industry and that it seek to establish a reasonable degree of standardization in the formulas that are used to produce rates. In the interest of the solvency of insurers, the report continues, the rate structure should be rather rigidly regulated. The value of competition is not to be overlooked but the use of rates that will maintain solvency of insurers is of the first importance to public interest.

The committee also heard considerable testimony on credit life and credit A&S insurance, and though it made no recommendation for changes in law, it is the opinion that there is a definite need for regulation of this type of insurance. It suggested that the insurance department undertake a thorough study of the subject and promulgate rules and regulations covering this field.

The committee was instructed to inquire whether or not the existing insurance laws are being properly administered, whether the insurance commissioner insists upon the insurers complying with the recommendations made by the examiners and approved by him and whether the office of commissioner is properly organized to efficiently administer existing insurance laws.

Also, whether there is a sufficient check by the commissioner as to the reliability of insurers chartered in other states but doing business in South Carolina, what changes if any should be made in existing laws to insure greater protection to policyholders and whether or not insurers are paying a fair and proportionate share of taxes for the maintenance of the state government.

Sen. Harrelson of Mullins was chairman and Rep. Lake of St. Matthews vice-chairman. Prof. John M. McFall of the University of South Carolina, and John Sloan, a former actuary of the insurance department, aided the committee, which also had the cooperation of Commissioner Kelly and Mr.

McDavid. The committee also received valuable assistance and advice from the attorney general, the legislative council, representatives of the insurance business, companies and the agents, and from Alfred J. Bohlinger, former superintendent of insurance of New York.

After study the committee found that a bona fide effort is being made to administer and enforce the existing regulation and laws, and the commissioner is insisting upon companies complying with the recommendations made by examiners of the department. However, the committee in the course of its investigation found evidence of numerous instances prior to Aug. 5, 1954, where such was not the case, according to the report. However, the committee did not go into those except to report that information was brought to its attention which was promptly referred to the office of the attorney general.

The committee found that the services of a full-time assistant attorney general assigned to the department are badly needed and that for the proper

(CONTINUED ON PAGE 30)

## "Look what a well-knit team can do"

says William Coulbourn (left) broker with Chas. A. Northey, General Insurance, Cohoes, New York. Shown here with Mr. Coulbourn is Edward DeLude, President, SwanKnit, Inc.



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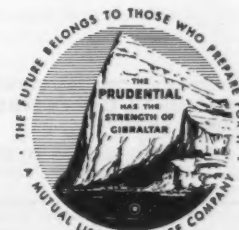
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NU 40

## EDITORIAL COMMENT

### When Patience Isn't the Answer

While viewing the remains of U. S. Trust & Guaranty of Waco, one of the members of Texas board of insurance commissioners was reported to have said: "This is the last company I am going to try to save."

This is what can be called learning the lesson the hard way. The Texas insurance department has found out that as a state regulatory body there is nothing it can do, any more than any other insurance department can do, to resurrect a company from bankruptcy.

When an insurance department finds an insurer verging on insolvency, what power does it have to put the company back on its feet? About the only thing it can furnish is time. The department can grant the management a few months of nervous existence while it tries to raise money or effect a merger or reinsurance agreement, but that is all. The department cannot put money into the company, cannot supply the kind of management that is needed, cannot call upon a sound reinsurance company to risk its money, or a sound insurer to buy out a defunct corporation. In other words, the department has a choice of moving in immediately when it uncovers a dying operation, or prolonging the agony in what is a clearly unfounded hope of uncovering some means of salvation while the patient gets weaker and weaker and the chances of policyholder recovery get slimmer and slimmer.

Within the last two or three years there have been reported with adequate publicity the failures of insurance companies not only in Texas but in New Mexico, Arizona, Kentucky, and elsewhere, and in more cases than one the insurance departments involved have been slow to act because they had been led to believe that nothing more than a shuffling of numbers was needed to put the company back on its feet. Perhaps the departments are happy to be persuaded there is an easy means of salvation, feeling that to allow an insolvency is a reflection on its administration.

To some extent, the departments are just as helpless in coping with the matters that lead to insolvency as they are in curing them once they have occurred. An inadequate rate, at least in the most recent cases, has not been the cause of bankruptcy, but rather ineffective or even dishonest manage-

ment. The insurance department cannot prevent the signing of a reckless reinsurance treaty, the investment of company funds in worthless stocks or the draining away of assets by operators desiring a quick profit. But these acts or their results are reflected in the annual statement or during a convention examination, and when they are found it should be evident that no amount of patience on the part of regulatory authorities is going to cure the problem. It is a delusion to suppose a management that is incapable can change for the better by promising to reform. Now can a management whose sole objective is easy money build an honest operation? How can a management that has sold itself to a reinsurer of no integrity find a reinsurer of character to take its business?

Having examined the statements or convention examination reports of highly reputable companies, what must an insurance department think when it is confronted with the statement of a near-bankrupt company with assets in stocks whose value cannot be determined, with reinsurance in companies whose status is doubtful, with management whose character is questionable or with a method of operation that is intriguing only to fringe agents? Any one of these items of evidence should be sufficient to cause an investigation, and if there are no substantial answers to questions the department asks, what possible good can it do for the department to sit back and hope that improvement will be made?

Texas is not the only state to have insurance failures that involve questions of management responsibility. However, the Texas board of commissioners seems to have been convinced with the latest scandal that it cannot serve the public interest when it permits an almost known minus quantity to have a second chance.

There is no reason for an insurance department to sit by and let some fast talker try to explain a set of mixed up accounting, over-valued assets and the like. When it gets to that point action is needed. Only one out of a hundred insurance companies ever has to explain to an insurance department what it is trying to say in its statement or what its assets really are or why its reinsurance is in an unknown non-

admitted company, and there is no more ominous danger signal than one of these or a combination of them. If the department investigates and the answer is double talk, that is the time to move in with the whole team and perform an unpleasant task with firmness, fairness, and dispatch.

## PERSONALS

Wayne A. Seaver, executive vice-president of Agricultural-Empire



Wayne A. Seaver

State, was honored at a dinner in Watertown in recognition of 50 years of service. He has been with Agricultural since 1906 in various capacities, including accounting and underwriting. He was appointed special agent for Ohio in 1919, executive special agent at the home office in 1925, agency secretary in 1927, and executive secretary in 1928. He was elected vice-president and secretary in 1934, and executive vice-president and secretary in 1948.

Edgar B. Sims, former insurance commissioner of West Virginia for 16 years, is author of a new history of the county formation of West Virginia from 1738 to 1955. Titled, *Making a State*, the book has compiled acts and laws and historical land grants setting and changing county boundaries. It is illustrated by 11 maps.

Fred H. Morgan, local agent at Paducah, is majority leader in the Kentucky house of the legislature.

Thomas R. Dew, vice-president of Federal, chairman of the fire, casualty and marine committee of the insurance division of the 1956 Boy Scout fund drive in New York City, was represented by Harlan Maynard, also of Federal, at a breakfast to mark the start of the campaign. G. Harry Jackson, chairman of the agents and brokers committee, also attended.

W. Guy Frazier, president of Frazier & Co. general agents at Seattle, suffered a heart attack and has been confined to his home. He is making an excellent recovery and is expected to return to the office within a few weeks.

Robert E. Vollriede, resident vice-president at New York, was honored on the 30th anniversary of his association with Continental Casualty at a luncheon at the Lawyers club there. About 25 attended, and J. F. Norton, eastern resident vice-president, was toastmaster. Robert J. Glasgow and

William Woodyard were on hand from the head office. In the later afternoon Mr. Vollriede was host at a cocktail party for his liability and production departments.

A. M. Jens, veteran Chicago agent, who since 1953 has been chairman of Chicago Federal Savings & Loan Assn., retired this week and was guest of honor at a luncheon attended by his friends in the insurance, banking and savings and loan business. Mr. Jens provided the principal talk at the luncheon with some reminiscences of the early days of insurance in Chicago.

A graduate of Illinois Tech, Mr. Jens started in insurance in 1906 as an inspector for the Chicago Board. In 1908 he went with Fred S. James & Co. agency as an inspector, becoming head of the inspection and engineering department. In 1923 he was elected a vice-president. In 1925 Mr. Jens joined the old Robert E. James & Co. agency, and a few years later formed Jens, Murray & Co. agency which was merged with Fred S. James in 1936. Mr. Jens rejoined Fred S. James and also was elected a director of Chicago Federal, becoming vice-president of Chicago Federal in 1939. After reaching retirement age at Fred S. James in 1946, Mr. Jens was elected president of Chicago Federal, becoming chairman in 1953.

Durel Black, whose appointment as resident vice-president at New Orleans



Durel Black

for Maryland Casualty was announced in an earlier issue of THE NATIONAL UNDERWRITER, has been with the Black, Rogers & Co. agency there since 1917. For the last nine years Mr. Black has been controlling partner of the agency which has represented Maryland Casualty in New Orleans since 1898.

Black, Rogers & Co. will move next spring to more spacious offices in the new Maryland Casualty building now under construction at Dryades and and Common streets.

D. J. Harrigan, retired Illinois state agent of St. Paul F.&M., has been confined for a few weeks to St. Francis hospital, Evanston. He will be in the hospital for a while longer before he returns to his home.

W. E. Horton Jr., special agent of Hartford Fire in Texas, celebrated his 50th anniversary in insurance on the last day of 1955. He entered the business with Trezevant & Cochran general agency at Dallas, became its special agent in Louisiana and, after military service in World War I, was special agent of the general agency's automo-

### THE NATIONAL UNDERWRITER

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bile department in Arkansas and Louisiana. He was a local agent for a short while and then became a special agent of Hartford Fire in 1921.

**Albert J. Wohlgenuth**, president of the Rough Notes Co. of Indianapolis, is resting comfortably at his home after an operation.

**Clay Conner, Jr.**, Indianapolis local agent was the subject of the Jan. 11 production of "This Is Your Life," the TV network show. Mr. Conner, a survivor of the Bataan death march, was honored for his 34 months of leading a guerrilla band against the Japanese in the jungles of the Philippines.

## DEATHS

**GEORGE W. WILKINSON**, 77, founder of Wisconsin Automobile Ins. Co. and Wisconsin Standard Life, died at St. Petersburg, Fla. Mr. Wilkinson entered the local agency field at Monroe, Wis., in 1906 and formed a general agency there in 1912. Four years later he organized Wisconsin Automobile. In 1928, he formed Wisconsin Standard Life and shortly after that became president of the life company and the auto company. He resigned as president of both firms in 1931 and moved to Frankfort, Ky., where he operated a successful local agency until 1954 when he retired to move to Florida. The auto firm was merged with General Casualty of Wisconsin in 1933.

**MRS. KATHRYN A. CARTWRIGHT**, 83, widow of Charles M. Cartwright, who was editor of NATIONAL UNDERWRITER for 50 years, died in her home in Evanston, Ill. Mrs. Cartwright was exceptionally active in civic activities and was well known to the insurance fraternity, often accompanying Mr. Cartwright to important conventions. Her son, Levering, was executive editor of THE NATIONAL UNDERWRITER and now maintains his own offices in the Board of Trade building, Chicago.

**JOHN F. MCGILLIVRAY**, 56, independent adjuster for many years at Spokane, was killed in an automobile accident about 45 miles west of Spokane near Sprague. He apparently fell asleep at the wheel of his car which left the highway knocking out six guard rails and rolling nearly 100 feet.

**FRED C. BARKMAN Jr.**, 76, director and vice-president of Toplis & Harding, Wagner & Glidden, died at Presbyterian hospital, Chicago. For many years prior to his death, Mr. Barkman was general adjuster of fire losses for the firm. Before he joined Toplis & Harding in 1923, he had been with Western Adjustment.

**HAROLD G. DOTTERER**, 54, owner of the W. C. Wilbur & Co. real estate and insurance agency of Charleston, S. C., died at his home there. He joined the company in 1951 and became the owner last year.

**WILLIAM M. MORTIMER**, 64, partner in William M. Mortimer Co. of New York, insurance adjusters, died suddenly at his home in Franklin Lakes, N. J. He founded the company more than 35 years ago. An outstanding figure in the inland marine adjust-

ing field, he was the author of two books on the subject, "Adjusting Practices: Inland Marine and Transportation Insurance," and "Inland Marine Insurance: Principles and Practices of Transit Insurance and Other Inland Marine Coverages." In addition, he wrote many pamphlets and articles on inland marine insurance.

**HENRY G. WELD**, 29, whose father is president of the Charles L. Crane agency of St. Louis, died of uremic poisoning after a long illness.

**ALBERT H. MEYER**, 65, vice-president and treasurer of Merchants Mutual Casualty of Buffalo, died in Buffalo. He was a former commissioner of New York liquor authority.

**MRS. INA G. WATKINS**, 86, local agent for more than 40 years at Harrodsburg, Ky., died at Haggins Memorial hospital there after a long illness.

**J. MILTON LADD**, owner of the Thames & Batre agency at Mobile, Ala., died of a heart attack there.

**SIMON MENDELSON**, 85, of Chicago, died at Columbus hospital there. Mr. Mendelson had for many years been associated with his sons, Jack and Albert, who operate J. Mendelson & Co., Chicago brokerage firm.

**WEBBER P. RUNKEL**, 58, a broker with the Fred S. James & Co. general agency at Chicago since 1935, died of cancer at St. Therese hospital, Waukegan, Ill. Prior to joining the James firm, he was with American Motorists and Underwriters Laboratories at Chicago.

**JOHN E. PEACE**, 82, who had retired in 1946 as president of Willard S. Brown Co., New York City brokers, died at a Summit, N. J., hospital.

**BEVERLY B. HOBBS**, 83, retired local agent, died in a Keokuk, Ia., hospital following an extended illness. He had retired two years ago after heading his own agency in Keokuk for more than 50 years.

**VALENTINE M. HERRMANN**, 71, who retired as president of the George Hermann & Co. general agency of Chicago in 1952, died of a heart attack there. Mr. Herrmann spent his entire business career of more than 50 years with the firm, which was founded by

his father in 1898. He served in various capacities in that time and was named president in 1941. A nephew, George Herrmann III, is president of the firm and a brother, George Herrmann Jr., is a vice-president.

**LEE RAMEY**, 44, adjuster for Bituminous Casualty in southeastern Kentucky, died of a heart attack at Berea.

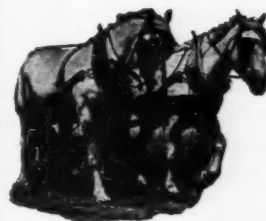
**American Indemnity Pays Extra**  
American Indemnity has declared an extra dividend of 20 cents to be paid Jan. 25 to holders of record Dec. 31.

## Insurance Tax Ruled Out in Philadelphia

Philadelphia Solicitor Freedman has ruled that Pennsylvania life and fire companies having principal offices in Philadelphia and owning no capital stock are not subject to a 2% tax.

Companies paid such a tax from 1937 to 1951. The state legislated a similar tax in 1951. Since the state and city cannot tax the same thing, the city tax lapsed. There was a question after the state tax lapsed in 1952 whether the city's tax automatically returns. Mr. Freedman says that it doesn't.

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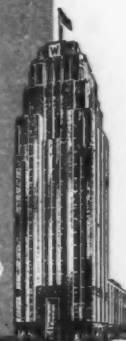


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## High Post Changes by Phoenix-Conn.

Phoenix-Connecticut has advanced Donald E. Walker and Thomas K. Marlowe to secretaries and Frank C. Hatfield Jr. and Kenneth MacDonald to assistant secretaries.

Mr. Walker joined the group in 1940 and became assistant manager of the Pacific department at Los Angeles in 1947. He went to Hartford as assistant secretary in 1953.

Mr. Marlowe, who also has been an assistant secretary since 1953, joined the group in 1939 as state agent in Louisiana and Mississippi. He became superintendent of inland marine production for the south in 1945.

Mr. Hatfield has been superintendent of the multi-peril division and will continue there. Before going to the home office in 1940 he was a field man in Arkansas, Alabama and Georgia.

Mr. MacDonald formerly was superintendent of the bonding division and will continue in that line as assistant secretary. He was, for many years, with the New York department. He joined the group in 1951.

## Philadelphia Underwriters Elect Down President

Underwriters Club of Philadelphia has elected John L. Down of American Automobile president.

Other new officers are John Kenyon of Aetna Fire and Bert Carvalho of London & Lancashire, vice-presidents; Roy Bruce of Phoenix of Hartford, secretary; E. J. Mulgrew, retired, treasurer, and Thomas Sitler of Phoenix of London, James S. Gwynn of Caledonian, Truman Green of Agricultural, C. R. Foster of National of Hartford, Ronald Grace of New Hampshire and Thomas Tilton of Springfield F. & M., directors.

## New Michigan Insurance Laws Go to Legislature

LANSING — The department-sponsored recodification of Michigan insurance laws has been introduced in the legislature as house bill #1. The bill had been printed in advance in 510 pages and is one of the largest measures ever introduced in Michigan. It is not expected to encounter opposition, having had a thorough going-over by the industry before introduction. The aim of the measure is to simplify and systematize the insurance laws.

## Ivan Steiner to Speak

Ivan Steiner Jr. of Wooster will address the Jan. 26 meeting of Jefferson County (Ohio) Assn. of Insurance Agents. Mr. Steiner is a trustee of the Ohio association.

## Hartford Fire Advances Moloney in Western Unit

Hartford Fire has appointed William H. Moloney assistant manager of the western department. In addition to assuming executive duties, he will supervise the company's business in Indiana, Minnesota, North and South Dakota, and West Virginia.

He joined Hartford Fire in 1946, became marine special agent in the Cook county, Ill., department and later was appointed assistant superintendent of the marine department in the Cook county area and superintendent of the marine department of the western department.

## Cal. Surplus Line Brokers Elect J. H. Collins

Surplus Line Brokers Assn. of California has elected J. H. Collins of Montgomery & Collins, Los Angeles, president, and Fred J. Van Horn of Cass & Johansing, Los Angeles, secretary.

New members of the executive committee are: C. Page, E. T. King, A. J. Lynch, J. V. Watson and Malcolm Cravens, all of San Francisco, and Ira Brander, L. C. Freil and Vincent Haidinger, all of Los Angeles.

## Corroon & Reynolds Declare Extras

Three companies of Corroon & Reynolds group have declared extra dividends payable Feb. 1 to stockholders of record Jan. 23.

New York Fire will pay an extra of 75 cents, American Equitable one of 95 cents and Merchants & Manufacturers 32½ cents. Globe & Republic already had declared an extra of 50 cents payable the same date.

## Babb Elected by Detroit Casualty Underwriters

James Babb of Michigan Mutual Liability has been elected president of Detroit Casualty Underwriters Assn. to succeed Norman Acker of Marsh & McLennan, who was named a board member.

Other new officers are James Upton of Ohio Casualty, vice-president; Harold Arvin of Citizens Mutual Auto, secretary, and Edward Davis of American Auto, treasurer.

## Boyer Retires, Republic Names Patton at L.A.

Ray Z. Boyer, vice-president and manager for Republic of Dallas at Los Angeles, has retired, and has been succeeded by M. C. Patton, vice-president, who has been Chicago manager.

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## Anti-Coercion Unit Lauds Mortgagees, Adds Executive

William G. Russell of Hufty, Eubank & Russell, Washington, D. C., agency has been appointed to the executive board of the newly-formed Committee to Eliminate Coercion in Insurance.

The committee has also commended Riggs National bank and Acacia Mutual Life, Washington, D. C., mortgagees, for their "steadfast" refusal to engage in tie-in sales of insurance.

Centralized at present in Washington, the anti-coercion group has been fighting mortgage-insurance tie-ins in close cooperation with the anti-trust division of the Justice Department. The committee plans future expansion with chapters in all states.

Other members of the executive committee include Charles F. Schwab, Harry Harris, Hubert Newsom, Washington local agents, and Fred Smithwick Jr., executive secretary.

Formed late in November, the new group acts as a clearing house for complaints of tie-in practices, and assembles proof and information for investigation and prosecution by the anti-trust division. Largest impetus for the committee in its fight is the Justice Department consent decree of June 30, 1954, in a case against Investors Diversified Service, large mortgage loan company. The decree forced the company to terminate previous exclusive mortgage-insurance agreements and prohibited any in the future.

General counsel and liaison for the committee with the anti-trust division is Joseph Borkin, formerly of the Justice Department. He collects charges

and evidence for presentation to the division.

At present the committee consists almost entirely of agents and brokers in and around Washington, D. C. However, letters have been forwarded to agents' and brokers' associations throughout the country asking all cases of alleged coercion be referred to the committee.

## Group to Probe Surety Situation in Nev., Ariz.

LOS ANGELES—Southern California Surety Underwriters Assn. has named a committee to study the surety situation in Nevada and Arizona as a result of recent financial debacles in Nevada and certain legislation enacted in Arizona.

Committeemen are A. A. Zimmerman, manager, American Surety, chairman; Martin Rudlang, assistant bond manager, National Surety; Richard Hawkins, assistant bond manager, American-Associated, and William Gillingham, assistant bond manager, U.S.F.&G.

## Flint Claim Service

Larry Munro, a Michigan adjuster with experience in most types of claims, is now operating Flint Claim Service, 307 East Court street. As Flint claim manager for Royal-Liverpool, Mr. Munro adjusted many substantial claims following the devastating tornado that struck Flint a couple years ago. He also has been branch claim manager for Royal-Liverpool, staff adjuster at Flint for American, and most recently an adjuster for Preferred of Grand Rapids.

The Travelers companies held open house in their newly remodeled quarters covering the 10th floor of the First Wisconsin National Bank building in Milwaukee.

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Time—Jan. 16  
Newsweek—Jan. 16  
Business Week—Jan. 21  
U.S. News & World Report—Jan. 27  
Town Journal—Jan.  
Better Homes & Gardens—Feb.  
American Home—Feb.  
Nation's Business—Feb.

## NEWS OF FIELD MEN

### St. Paul F.&M. Names Five Special Agents

Five new special agents have been appointed by St. Paul F.&M.

Bernard D. Evander, safety engineer and auditor in the Delaware, District of Columbia and Maryland territory, has been appointed special agent associated with John T. Nichols, state agent, with headquarters at Baltimore.

In New Jersey, Weston J. Field, who has been an underwriter in the eastern department at New York, has been named special agent for the northern part of the territory with headquarters in East Orange.

A new suburban Twin Cities field has been set up in Minnesota consisting of the counties of Dakota, Washington, Anoka, and all the area in Hennepin and Ramsey counties outside of the city limits of St. Paul and Minneapolis. Roy C. Edison has been assigned to this field as special agent under the supervision of D. A. Swansick, Minnesota manager. Mr. Edison has been with the St. Paul F.&M. group for several years in the home office. State Agent Harold Woodmancy will have as his territory Minneapolis within the city limits, and State Agent G. C. Strom will cover St. Paul within the city limits.

David R. Scholfield has been assigned to Milwaukee and southern Wisconsin territory as special agent with headquarters in Milwaukee, associated with State Agent C. G. Solsvig. Mr. Scholfield has had experience with Wisconsin Fire Insurance Rating Bureau.

In Colorado and Wyoming, John C. Russell, who has been with Colorado Inspection Bureau, has been named state agent with headquarters in Denver, where he will be associated with State Agent Fred E. Shellman.

### Dahl N. J. State Agent of Northern Assurance

Northern Assurance group has appointed Arthur W. Dahl state agent for New Jersey, succeeding Fred F. Flechtner, who has been advanced to the position of secretary in the home office.

Mr. Dahl joined Northern Assurance in 1936, and acquired a broad experience in various departments. After army service he returned to the company in 1945 as underwriter in the fire department and later in both inland marine and automobile departments. In 1949 he was advanced to the position of special agent for New Jersey.

### Woods Joins American in Western Missouri Field

American has appointed James R. Woods as special agent in western Missouri. He replaces Donald S. Woerner, who has resigned.

Mr. Woods has been in the business for 10 years, most recently as special agent in eastern Missouri for Commercial Standard. His new headquarters will be in American's office at Kansas City.

### Rochester Club Elects

Insurance Field Club of Rochester, N. Y., at its annual meeting elected the following officers: President, Chapin Blake of Aetna Fire group; vice-president, Russell L. Free of Loyalty group; secretary, Walter L. Reardon of America Fore group; treasurer, John Bartemus of New Hampshire

Fire, and chairman of the executive committee, Jack Duffy of Springfield F.&M. group.

### London Assurance Divides Ohio

London Assurance has divided its Ohio territory into eastern and western sections and has placed State Agent Edgar Hamilton in charge of the western section and Special Agent Evan Rosser in charge of eastern Ohio.

The present Ohio field office at 3770 North High street, Columbus, will be headquarters for both sections. The territorial revision will increase service to London Assurance agencies in the state.

### Ind. Fire Prevention Assn. Names New V-P

INDIANAPOLIS—Following the resignation of George E. King as vice-president of Indiana Fire Prevention Assn., three new officers were elected. Mr. King, who has been with Atlas in the Indiana field, has gone into the agency business at Brownsburg.

Paul N. Catherman, Boston, was elevated from secretary-treasurer to vice-president replacing Mr. King. Edward A. Foisey, Girard, becomes secretary-treasurer, and Kenneth Miller, Continental, was named assistant secretary-treasurer. George Wilder, Home, continues as president.

Speaker at the meeting, Albert H. Meister, Indiana fire marshal, praised the association for fire prevention work.

### R. L. Jennings Joins Finnell & Finnell

Raymond L. Jennings has joined Finnell & Finnell, managing state agents of Royal Oak, Mich., as vice-president in charge of the eastern part of the state except for Wayne, Oakland and Macomb counties.

Mr. Jennings was for seven years with Michigan Inspection Bureau, and for the past 16 years has been state agent in Michigan for American of New Jersey out of the Flint and Lansing offices. During the war he was an army captain handling plant security and protection.

Mr. Jennings has been active in Michigan Fire Underwriters Assn. and Michigan Fire Prevention Assn.

### Royal Exchange Names McCarthy N. J. Special

Royal Exchange has appointed John P. McCarthy special agent in New Jersey to assist James G. Manchester III, state agent, with headquarters at East Orange. He joined the group two years ago as a claims investigator at the home office.

### St. Louis Pond Meets

Joe Garagiola, former catcher with the St. Louis Cardinals, Pittsburgh Pirates and Chicago Cubs and now an announcer for Cardinal games, was the guest speaker at a recent meeting of St. Louis Pond of Blue Goose.

Gene V. Mitchell, St. Louis department manager for Boston, announced final arrangements for the annual dance, Feb. 4.

### Home Names Jacobson in Mont.

Home has appointed Arne J. Jacobson special agent in Montana. He had been with Montana Fire Rating Bureau.

### Korte Named President of New Idaho Field Club

Erich Korte, special agent of Great American group, has been elected president of the recently organized Idaho Fire Underwriters Assn.

Other new officers are Arnold Good, Boston, vice-president, and Arnold Powell, Loyalty group, secretary.

The association, approved by Pacific Board, adopted a constitution and by-laws similar to other field clubs in the area.

### Ohio Field Underwriters Hear Talk by Miss Quinn

Miss Mary C. Quinn, public relations supervisor for Ohio Bell Telephone Co., discussed the influence of crystal gazers on the history of the world at the January meeting of Ohio Fire Underwriters Assn.

Miss Quinn described the early use of crystal, its modern development for communications and other industries and its possibilities for future uses.

The executive committees of the underwriters association and fire prevention association held meetings prior to and after the association's meeting.

### Harris Retires as Hartford Special Agent at Denver

Roy G. Harris, special agent of Hartford Fire at Denver, retired Jan. 1. He entered insurance 35 years ago on the entry desk of Mountain States Inspection Bureau. He later was district inspector at Pueblo.

He joined Hartford Fire in 1923 as a special agent at Denver. He later was in charge of the Denver office which supervised the company's business in Colorado, Wyoming and New Mexico.

During the early years of his career he, with three others, formed Direct Reporting Field Club composed of special agents who report directly to their companies. He was president of the club two terms. He is also past president of Mountain States Fieldmen's Assn. and was responsible for the formation of the forms and rules committee, which is considered one of the most important functions of the organization. He was chairman of that committee five years.

### Reilly Joins Boston in Illinois Field

John L. Reilly has been appointed special agent in Illinois for Boston and Old Colony, and will have headquarters with James Hamilton, state agent, in new offices at 425 East Monroe street, Springfield.

Mr. Reilly for six years has been in the Illinois field for Employers Liability.

### R. E. Bailey Named in Ky. Field by Loyalty Group

Robert E. Bailey has been appointed special agent in Kentucky for Loyalty group, associated with State Agent Milton V. Magruder with headquarters in the Starks building, Louisville. Mr. Bailey has been in the business for several years and has had both underwriting and field experience.

### N. J. Fieldmen to Elect

New Jersey Fieldmen's Assn. will elect new officers Jan. 23 at Robert Treat hotel, Newark. The executive committee will meet before the election.

### Higginbotham Names Moore

Robert A. Moore has been named special agent for the lower east coast territory of Florida for Higginbotham Co., managing general agents of Jack-

sonville. He will have headquarters at Fort Lauderdale.

Mr. Moore started in insurance with West Virginia Inspection Bureau, and traveled the state for 15 years for Loyalty group, Home and Great American.

### Home Names Merrell Colo., Wyo. Manager

Thomas D. Merrell, state agent in Colorado, has been appointed manager of Colorado and Wyoming operations for Home succeeding John Heath, who has retired.

Mr. Merrell joined the company in 1929 with the Illinois farm department and transferred to Denver in 1939. He was appointed state agent in 1954. He is past president of Mountain States Fieldmen's Assn.

Mr. Heath retired Jan. 1 after 37 years with the company. He joined Home in 1918 and was at Denver all the while.

### North British to Make Wash. Field Changes

Benjamin Barnett will be transferred to the Pacific department of North British, Feb. 1, and will be replaced as Seattle special agent by C. W. Mattox, who is special agent at Spokane.

Fred Meech is resigning as special agent for Deans & Homer general agency at Spokane to replace Mr. Mattox as Spokane special agent for North British.

Mr. Barnett has been in charge of the Seattle office for the past five years, having been transferred to Seattle from the Pacific department. His new duties in returning to the Pacific department have not yet been announced.

### Jacobsen Named Special for Aetna in Washington

Ivan Jacobsen has been appointed special agent for Aetna Fire in the western Washington territory with headquarters at Seattle.

Mr. Jacobsen has been with Aetna Fire for a year and a half, having spent one year in the home office as a trainee. For the past six months he has been an underwriter in Seattle.

### Montana Field Men Change Name of their Club

Montana Fire Underwriters Assn. at its winter meeting at Helena changed its name to Montana Underwriters Assn. Jack McBroom, Phoenix of Hartford, was named vice-president to succeed C. L. Christian, Cravens Dargan & Co., who has been transferred to San Francisco.

### Moose Quits C.&R. To Join Ala. Agency

W. Russell Moose, former Alabama state agent of Corroon & Reynolds group, has joined Taylor agency of Huntsville, Ala., as a partner. He is president of Alabama Fire Underwriters Assn. and a member of Alabama pond of Blue Goose.

### Excelsior to Call Field Men Field Supervisors

Excelsior of Syracuse from now on will designate its field men with the title "field supervisor."

President F. H. Witmeyer said the titles special agent and state agent have lost some of their original meaning and it is believed field supervisor will be less confusing.

### Loard Joins New Ala. Insurer

Gulf American Fire & Casualty of Montgomery has appointed John W.



Board special agent for Alabama. He had been with Alabama Inspection & Rating Bureau.

## North British Field Roundup

A conference of North British group field men from the eastern, Philadelphia and metropolitan departments was held by the group in Atlantic City. The meetings were conducted under the chairmanship of Secretaries P. A. De Gruchy, E. H. Miller and K. W. O'Leary.

Attending from the New York City administrative office were W. L. Nolen U. S. manager; H. P. Linn, assistant U. S. manager; H. W. Casler and M. B. Baker Jr., deputy assistant U. S. managers; A. E. Lehman, automobile secretary and G. C. Daubert, inland marine secretary. From Kansas City were George W. Dyer and R. A. Hubbard, secretaries of casualty and bonding, respectively.

## Ohio Field Men to Be Host to Insurance Students

COLUMBUS—Students interested in insurance from Ohio State, Bowling Green, Miami, and Dennison universities will be guests at the Stock Fire Insurance Speakers Assn. luncheon here Jan. 23. A. C. Guy, regional manager of Western Adjustment, will be toastmaster. Speakers include R. W. Kapp, state agent Phoenix of Hartford; O. W. Ross, Hoffhines-Ross & Ludwig agency; J. R. Jones, Jr., Ohio Inspection Bureau, and Eugene Streng, general adjuster Western Adjustment, who will discuss the opportunities in their respective fields. W. L. Venable, F.&G.

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Underwriters, is in charge of reservations.

## Home Names Lee Mont. State Agent

William L. C. Lee, special agent for Home at Great Falls, has been appointed state agent with supervision of operations in Montana.

Mr. Lee succeeds Robert S. Aitken, recently appointed manager of Home's Canadian operations.

Mr. Lee served as an examiner and underwriter for eight years prior to joining Home in 1946. He was an examiner in the Pacific department of Home's head office in New York until 1949 when he transferred to Montana as special agent.

## Great American Names Radtke in Illinois

A new field office has been opened by Great American in the Commercial National Bank building, Peoria, with Maurice F. Radtke as special agent in charge. The field has been supervised by Eugene Humphreville, who has resigned.

Mr. Radtke has been in the Oklahoma field for Great American since 1952. He joined the company in 1948 and for four years was in the western department office at Chicago.

## Burchell Joins U.S.F.&G. in Mont.

D. C. Burchell has been appointed special agent in Montana for U.S.F.&G. He has been with Montana Fire Rating Bureau. Mr. Burchell will have headquarters at Helena.

The Tennessee service office of National of Hartford group has moved to larger quarters at 2302 West End avenue, Nashville. H. W. McBride and John H. Connor, state agents, are in charge.

St. Louis Blue Goose will hold its annual dinner dance Feb. 4. E. V. Mitchell, Boston, is chairman.

## A & S

### JOHN A. APPLEMAN

## A&S Critic Heads New Illinois A&S Insurer

John A. Appleman, Urbana, Ill., attorney who a couple of years ago was roundly criticized in many insurance circles for an article he wrote for *Readers Digest* vilifying the A&S industry, is a member of a group that is organizing Professional Casualty at Champaign, Ill., an A&S insurer.

Mr. Appleman will be president of the new company which eventually will write all lines except life. Initially, the company will concentrate on A&S. Harold J. Craig, former John Hancock agent, who now operates an agency at Hammond, Ind., will be secretary; Robert I. Mehr, insurance professor at the University of Illinois, vice-president; Charles M. Peck, also of the University of Illinois, controller, and Arlan McPherson, treasurer. Mr. Mehr intends to continue his university affiliation.

The sale of stock in the new company will be limited to physicians. The securities and exchange commission already has approved the company's filing. There will be a sale of 250,000 \$4 par value shares at \$10 each, to result in capital of \$1 million and surplus of \$1,125,000. The remaining \$375,000 will go for organizational expenses.

Mr. Appleman, a past president of Federation of Insurance Counsel and at one time a legal counsel for the

State Farm companies of Bloomington, Ill., has been a severe critic of the A&S business. As early as 1939 articles reproaching the A&S business under his byline appeared in legal journals. The *Readers Digest* article, as well as a subsequent piece in the *Mississippi Law Journal*, created a stir throughout the A&S business, and the many rebuttals that followed described the articles as completely unfair. Mr. Appleman said in that article:

"I propose, briefly, that we put an

end to the legal racket which is termed the transaction of a health and accident insurance business."

## Ohio Blue Cross Hike Considered

Request by Hospital Service Assn. of Toledo for a 15% increase in Blue Cross service rates, considered at a public hearing by Superintendent Pryatel on Jan. 17, was opposed by the united labor committee, a joint AFL-CIO political action group. The overall requested increase, based on con-

(CONTINUED ON PAGE 28)

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Van Wagner, Pugh

Home has advanced Kingsley Van Wagner and Thomas Pugh Jr. in the home office.

Mr. Van Wagner has been named manager of a consolidated metropolitan and service department production unit for all lines in the New York City area. He had been assistant manager of the metropolitan department.

Mr. Pugh, special agent in the metropolitan marine department, has been made assistant manager.

Set Hearing on Muskegon  
Municipal Coverage

MUSKEGON, MICH.—The city commission has voted to hold an extended hearing on the questions of municipal insurance in the hope of settling long-standing controversies. Policies expired in October, 1954, and city properties have since been covered on binders.

The commission, on advice of a consultant hired last summer, increased total coverage from \$1.7 million to \$3 million, but no policies were issued because Barney Hasper, an independent agent, has repeatedly questioned the commission's action in placing the business with Muskegon Assn. of Insurance Agents and Muskegon Assn. of Mutual Insurance Agents.

Mr. Hasper has obtained formal legal opinions to the effect that placing municipal business exclusively through the two associations does not follow city statutes. The commission, however, has postponed action but also refused to give the business to Mr. Hasper, who contended his bid, involving a deviation, was the best possible offer.

Mr. Hasper attends the weekly meetings and regularly brings up the matter, precipitating heated clashes between the commissioners, who are divided on what procedure should be followed in placing municipal coverage.

Dewey Peck &amp; Co., oldest local agency in the Lebanon, N.H., area, has been purchased by Mr. and Mrs. Frank Hough, owners of the Degnan agency there. Miss Effa Johnston, one of the former owners of the Peck agency, will continue as office manager.

Arson Seminar Slated  
at Purdue, April 23-27

The annual International Arson Investigator's seminar will be held at Purdue university, April 23-27. The seminar is held for fire department members, law enforcement agencies, industrial protection departments, governmental agencies, insurance and underwriting organizations, and anyone actively engaged in arson control and prevention.

The seminar will include lectures, training for the new enrollee, advanced investigative techniques, review of laboratory aids and specific training for more effectiveness against arson.

Professor Shelby Gallien, director public safety institute at Purdue, is in charge of arrangements.

Start Selling Stock in  
Freedom of California

Freedom Ins. Co. of Berkeley, Cal., has registered its initial \$11 million common stock issue with securities and exchange commission and is now offering 500,000 shares of common stock at \$22 per share in a public sale. The stock is being marketed by Uni-Insurance Service Corp. in cooperation with several California investment houses.

Freedom plans to sell a copyrighted program of casualty, fire, and allied lines in one policy. The policy will be issued in four forms—personal, commercial, professional, and farm.

## Sues Doctor for Cutting Leg Off

FARGO, N.D.—One of the largest malpractice lawsuits against a physician in this part of the country in several years is the \$252,260 action brought by Robert Mechtle against Dr. Joel C. Swanson, Fargo bone surgeon. Mechtle alleges Dr. Swanson "removed his right leg without knowledge or consent and without any cause or justification" while treating Mechtle for a toe ailment.

## Bull Named by Nationwide

J. Richard Bull has been promoted to news bureau manager for Nationwide succeeding J. Robert Oelberg, who has joined National Assn. of Independent Insurers.

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## Program for Michigan Midyear Takes Shape

The program for the mid-year meeting of Michigan Assn. of Insurance Agents at Detroit Feb. 22-24 has been nearly completed.

Among the speakers will be Arthur M. O'Connell of Cincinnati, a member of the executive committee of the national association, Eugene Fleck, sales manager of Sunshine Biscuit Co.; Robert Meade, assistant manager of the farm department of Home, and Joseph Thompson, an instructor in general business at Michigan State university. There will be two speakers from the department, Commissioner Navarre and Darlyle Watters, director of the agency division. Among the subjects to be taken up at the meeting are commercial block policies and local board projects.

## Union Ins. of Missouri Begins Selling Stock

Union Corp. of America, formed by a group of St. Louis union labor leaders and business men to act as a holding company for one or more insurers, has completed its stock registration with securities and exchange commission and will begin sale of a \$4 million issue immediately. Thomas F. X. Gibbons is president and chairman.

Union Corp. will offer 797,800 shares of common stock at \$5 per share, with effort to sell as much as the stock as possible to individual union members.

Proceeds from the stock sale will be used to activate Union Ins. Corp. of America, a fire and casualty subsidiary, and to incorporate or purchase a life company, and to purchase or form a mortgage loan company.

Mr. Gibbons, who operates an agency in St. Louis, said Union will con-

centrate on selling business to individuals and will not solicit or handle any union welfare business. "We are operating neither with nor without union sanction or approval," he said. "Our action is based on the premise that the estimated 600,000 union members in Missouri will patronize the company in which they own stock... We are entering a market that is almost entirely untapped. Finally the 'little man' will have the opportunity of sharing in the ownership of the company in which he places his insurance."

The company will begin writing business as soon as the first \$250,000 of the \$4 million stock issue has been raised.

Three union officials are vice-presidents and directors of Union Corp., they being Arthur A. Hunn, president of AFL Building Construction Trades Council; E. C. Meinert, secretary-treasurer of the carpenters district council and P. J. Burke, secretary-treasurer of Teamsters No. 603.

## C&S Managers Elect at Philadelphia

John H. Hoffman, secretary of Loyalty group, was elected president of Casualty & Surety Managers Assn. of Philadelphia at its annual meeting. Other officers are John G. Harkins, manager of U. S. Casualty, and W. Wallace Moorhead, resident vice-president of New Amsterdam Casualty, vice-presidents; and James F. Levis, resident manager of Fidelity & Casualty, secretary.

## Would Exempt Negligence Suits from Trial by Jury

A bill has been introduced in New York that would exempt negligence suits from the guarantee of trial by jury. It has been sent to the attorney general for his opinion.

## Fireman's Fund Names Line Managers at Boston

Fireman's Fund has named several new line managers and assistants in the Boston office of its New England department.

Larry S. Larsen has been named assistant to Manager George N. Hutchins in the production and underwriting of fire lines. Harold C. Schumann, who has been with Fireman's Fund for more than 30 years, will continue to manage the brokers' and agents' special service department, handling all fire risks crossing state lines.

Vernon T. Meador will direct marine business in the department. He has been in charge of marine production in the area since 1952. Miles J. Leavitt will manage casualty and automobile operations in the new regional department. Mr. Leavitt has more than 15 years' experience in this field.

Fred W. Faha has been named manager of the bond and burglary division.

The group claims division will be headed by Manager James L. H. Thomson Jr. He will be assisted in the handling of fire losses by Allan I. Woods, marine claims by Kenneth R.

Schwarz, and bond and burglary losses by John Morley. Mr. Thomson will supervise casualty and automobile claims, assisted by Donald Perkins.

The New England department was recently made an autonomous office in a general realignment of the firm's eastern operations. James R. McKay is resident vice-president and manager.

## Stewart, Smith (Ill.) Pays Employee Bonus

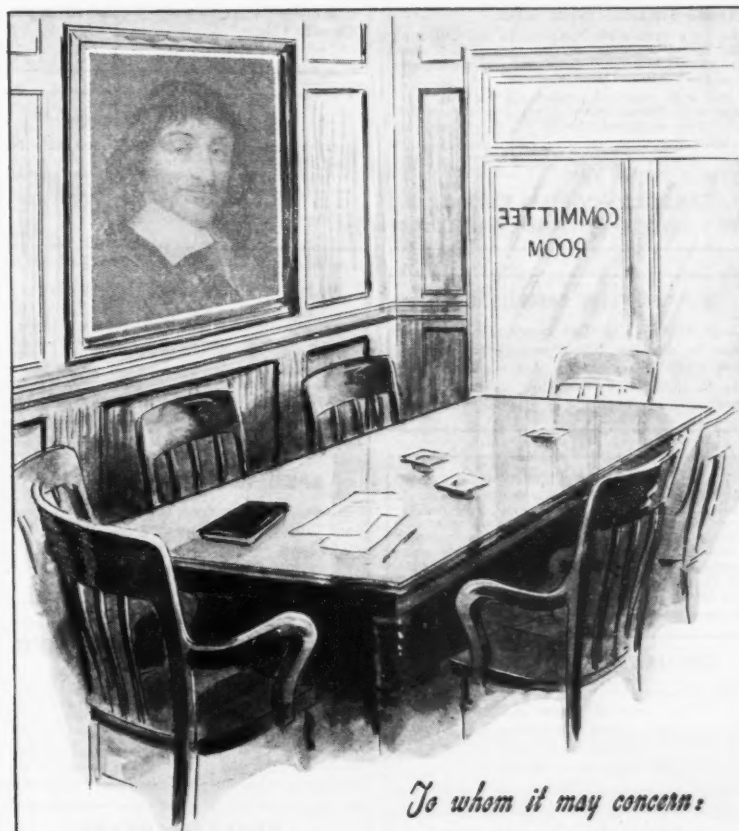
Employees of Stewart, Smith (Ill.) on Jan. 15 were given a year-end bonus based on earnings and length of service. This was the second bonus paid to Stewart, Smith employees for 1955, and the 15th distributed in eight years.

## Northwest Adjusters to Meet

The Northwest regional meeting of National Assn. of Independent Insurance Adjusters will be held Jan. 20 at the Stewart hotel in Seattle.

A luncheon and afternoon business session will be followed by a social hour, dinner and entertainment.

Jack C. Neer of Portland, northwest regional manager of the NAIA, will be in charge of the meeting.



*To whom it may concern:*

"Good sense is, of all things among men, the most equally distributed; for everyone thinks himself so abundantly provided with it, that those even who are most difficult to satisfy in everything else, do not usually desire a larger measure of this quality than they already possess."

*Respectfully submitted,*

RENÉ DESCARTES  
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High level executive for large mid-western stock casualty company. Desire administrative ability and experience in production, re-insurance, underwriting, claims and accounting. Excellent position and opportunities. When answering give complete experience and background. Box #K-13, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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### AGENCY FOR SALE

Located in good south central Arizona town. General insurance and real estate. Good net last year. Owner has excellent reason for selling. Address Box #K-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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### REGIONAL CLAIMS MANAGER

Major Airline has a vacancy for a law school graduate to handle our Regional Claims office in Chicago. Age 28 to 35. Prefer man who has had claims, customer relations, or airline experience. Full employee benefit program including free air travel. Address Box #K-12, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### CLAIM SUPERVISOR

Excellent opportunity for Claims Supervisor with Liability experience with Managing Underwriters in Southwest. Salary commensurate with ability and experience. Write Box #J-84, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### DEPUTY INSURANCE COMMISSIONER

seeks home office opportunity. Five years' insurance department experience, licensed attorney, with three years' experience in the private practice of law. Qualified to handle all insurance department matters. Also interested in agency work. Age 31, married. Address Box #K-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Detroit, Michigan area, Stock Company. Fire and Casualty Group. Salary \$7,500. Address Box #K-5, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### LOSS PREVENTION ENGINEER IOWA

Large, nation-wide Mutual offers excellent opportunity for man 28-35. Must have engineering or underwriting background and be willing to travel Iowa and eastern Nebraska. Expenses paid. Needs good car and must live or locate in Des Moines area. Write Box #K-9, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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### CHIEF UNDERWRITER WANTED

Experienced in Fire and Casualty, knowledge of Lloyd's desirable. Excellent opportunity for the right party. Will pay top salary. In reply state qualifications and experience. Box #K-14, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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for relocation in Pacific States or Colorado. 18 years experience in law practice with heavy trial work. Comp-Casualty cases. Married, age 44. Willing to travel. Excellent references. Write Box #K-4, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## A &amp; S

(CONTINUED FROM PAGE 25)

tracts in force Sept. 30, would raise the association's annual income from \$8,-366,040 to \$9,662,150.

Union leaders said the increase would affect many union agreements with employers for hospitalization insurance. Several such agreements provide for company contributions on a fixed cents-per-hour basis toward trust funds which are used to buy Blue Cross insurance for workers. An increase in Blue Cross rates might endanger the solvency of the trust funds, it was charged.

### N. Y. May Adopt NAIC A&S Code; Hearing Jan. 25

New York department has proposed adoption of the A&S advertising code of National Assn. of Insurance Commissioners, with a preamble added by New York. The proposal will be discussed at a hearing Jan. 25 in New York City.

The preamble emphasizes that the code is not designed to change the essential purpose of A&S advertising or to limit the ways and means by which such advertising may properly seek to serve its purpose, but it is intended to prevent advertising which tends to mislead or deceive.

It explains that the state recognizes that advertising is an essential part in promoting broader distribution of A&S insurance and that different means of advertising are used for different types of coverage. It also states that if an advertisement clearly and prominently indicates that disclosure of exceptions, reductions, limitations, etc., are available, then that ad is not improper, *per se*. The test in every case, the preamble states, is whether the advertisement does, or does not tend or have the capacity to mislead or deceive.

In interpreting the meaning of the advertising rules when applied to a specific advertisement, the insurance department will take into consideration the content, detail, character, purpose and use of the advertisement, and, specifically, whether the advertisement is the direct or principal sales inducement, or whether its function is to invite inquiry for details of the insurance advertised, either by follow-up literature or by personal interview.

If the rules are adopted, according to the preamble, they will not have any bearing on the propriety of any advertising previously done by any insurer within the jurisdiction of the department.

### Chicago A&H Association OK's Message to Congress Opposing SS Amendment

Chicago A&H Association at its January meeting, approved a motion to send to members of the Senate finance committee investigating social security a message voicing its opposition to an amendment which would approve payment of benefits to totally and per-

manently disabled workers at age 50. Edward O'Connor was placed in charge of this activity.

J. H. Campbell, Provident L&A, spoke concerning the association's annual Christmas party for orphans, criticizing the members for their poor showing in attending the party last month.

It was reported that LUTC will begin an A&S course Feb. 3. The course will be conducted for 12 weeks in the Field building. Cost will be \$30 including text books, examination, and other course material.

William W. Kipp, U.S. marshal for northern Illinois, spoke on the duties of the marshal's office, covering such points as attendance at court; carrying out of court orders; serving process; transferral and commitment of prisoners; and dispersing of monies for the Justice Department in this area.

Alfred Perkins, vice-president of Union Mutual Life, was scheduled to speak, but notified the group at the last minute that an important business meeting would force him to be absent.

### A&H Policy Cancellation Except on Anniversary Banned by New Ohio Statute

A new Ohio statute, effective July 1, 1956, bans cancellation of A&S insurance policies except on anniversary dates. August Pryatel, state insurance superintendent, has notified all companies writing such contracts in Ohio, of this law. Companies must permit A&H policies to remain in force for at least one year, regardless of the state or number of claims presented by holders.

Mr. Pryatel also announced adoption of standard for evaluation of A&H insurance, based on the advertising code approved by the National Assn. of Insurance Commissioners.

### Big Milwaukee Blue Cross Group Plan is Delayed

MILWAUKEE—Approval of a new Blue Cross-Blue Shield hospital and surgical insurance plan for city employees, which had been submitted to the common council for acceptance, has been delayed. Alderman R. F. Kelly moved and the council voted to send back to the finance committee the insurance matter for new hearings. He asserted that an insurance agent who is a constituent told him that there were other, better insurance plans that the city could obtain from private insurance companies. Some \$850,000 in premiums are at stake, it was stated. The delay was strongly protested by Ald. R. J. LaBelle, who headed a special committee that made an 18-month investigation of various hospital-surgical insurance plans, received proposals from 10 companies and finally recommended Blue Cross-Blue Shield as the best for the lowest cost. Other aldermen who said they had been contacted by agents like Kelly, supported him and voted for further consideration.

### Ray Urges Adequate A&S at Indianapolis Meeting

Jack Ray, agency director of Jefferson National Life, told members of Indianapolis A&H Assn. that the big challenge to private-enterprise insurance is whether or not it is strong enough to fight off the encroachment of socialized insurance schemes.

He charged that too many agents are failing to protect clients adequately and are thus leaving the way open for appeals of "government planners who use our failures to claim private-enterprise insurance is not giving the public the coverage it needs." He warned agents to band together through local associations and to take a more aggressive attitude.

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HOME MUTUAL INSURANCE COMPANY  
APPLETON, WISCONSIN



## Politics and Insurance Tied Together in Texas

(CONTINUED FROM PAGE 1)

dictment on two counts in connection with statements to the insurance commission regarding organization and operation of the defunct United Lloyds of El Paso.

Another indictment is outstanding against Ralph W. Hammonds of Houston, who is charged with perjury in connection with the operation of Lloyds of North America of Houston, also in receivership.

The voluminous petition filed by liquidator J. D. Wheeler in connection with the failure of General American Casualty of San Antonio, has had repercussions in the form of a \$500,000 suit against Mr. Wheeler by the partners in a Kentucky general agency who were charged with having averted an examination of General American by the Kentucky department in 1954.

In a prepared statement, the agents said: "Libelous remarks were made against us in a suit Mr. Wheeler filed Dec. 30 in a state court of Travis county, Texas, where he sued the officers and directors of that defunct company (General American) for over \$6 million.

"Upon investigation we find that we were not even made defendants in that action.

"We did not know of the financial condition of this company at any time prior to the application being made for its receivership June 16, 1954. . . . When suit was filed for receivership, we replaced all policies we had in this company at a cost to us of over \$6,000 and as a result our policyholders and agents suffered no loss. . . . They said the allegations were 'immaterial, irrelevant and unnecessary. . . and without any basis in truth or in fact. . . ."

The attorney for the liquidator for General American has estimated it will take a year to bring the \$6 million suit to trial. The defendants have 20 days in which to file answers. It is charged that there was a conspiracy to hide the financial condition of General American for more than a year before its bankruptcy.

Transfer of ownership of American Atlas Corp., which has been headed by Joe A. Irwin, to the First National Bond & Trust Co. in Dallas, has been temporarily stymied by a writ of garnishment freezing American Atlas funds. In addition there has been a restraining order issued tying up the assets of American Atlas Corp. and of Mr. Irwin, it being alleged in this petition in part that \$1 million of stock of American Atlas was given to LaSalle Casualty of Chicago "to bolster its financial statement." However, LaSalle officers say the stock is being carried at \$1 as a non-admitted asset.

Seymour B. Orner, president of LaSalle, in connection with the Texas allegations has issued a statement in which he says there is no present connection between LaSalle Casualty and

American Atlas Corp. "During the summer of 1955 there were negotiations between the principal stockholders of LaSalle for the sale of their stock to American Atlas," the statement says. "Although a previous announcement was made that American Atlas had purchased the stock of LaSalle, the sale was never fully consummated and the present management is the same as existed prior to that time. During the course of these negotiations American Atlas voluntarily delivered 40,000 shares of its stock to LaSalle, which was valued on LaSalle's books at \$1 as a non-admitted asset. American Atlas stock has never appeared as an asset on any financial statement issued by LaSalle Casualty Co."

When the announcements were made of the sale of LaSalle to American Atlas, it was said the purchase price was in excess of \$1 million and Mr. Irwin put out press releases on the sale and had advertisements in the Dallas newspapers saying that American Atlas Corp. now had an empire that took in Chicago's "marvelous mile," picturing the home office of LaSalle Casualty on Michigan boulevard. A new set of officers for LaSalle Casualty was announced, with Mr. Irwin as president, A. R. Bagwell vice-president in charge of home office operations, Charles M. Hansen executive vice-president, and Charles B. MacDonnell sales vice-president. It was also stated that Theodore G. Gaines, attorney of LaSalle and one of the principal stockholders, represented LaSalle in the sale.

In December Charles M. Hansen, who was president of American Atlas Life as well as supposedly being the executive vice-president of LaSalle, announced that he had been fired from the American Atlas interests.

Another Irwin company has been brought into the activities as the board of commissioners has moved to force a change in management of John K. Wilson Mutual Aid Assn.

Of greatest interest to the Texans is the U. S. Trust & Guaranty case. This was a combination insurance and banking operation headed by Mr. Shoemaker. The legislative investigation will focus some attention on the delay in closing

down U. S. Trust after the insurance commission allegedly knew for more than a year that it was in bad shape financially. The disclosure that five Texas senators had received compensation from U. S. Trust, Shoemaker or U. S. Trust affiliates for "legal services," has brought attention on the lobbying practices in the Texas legislature. It is pointed out that the most of the companies that failed in Texas were able to prolong their lives by staving off adverse legislation or using legislative influence to keep from being shut down. Texas practices in lobbying

and allied matters have been notoriously loose.

An unusual twist to the attempted suicide of Mr. Shoemaker is the length of time he has stayed alive after having a bullet go all the way through his head. This has produced some formation of pools in a number of Waco offices and taverns, with the money to go to the person most nearly forecasting the time of Shoemaker's death.

Champ C. Ward, owner of the Home agency at Piedmont, Mo., recently purchased the agency business of the late Hal Bennett.

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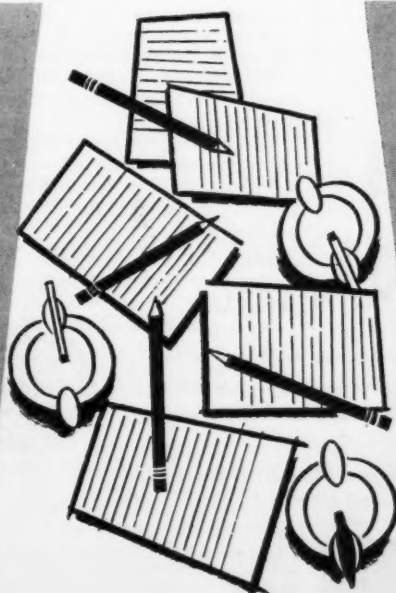
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## Report on S. C. Regulation Calls for Changes

(CONTINUED FROM PAGE 19)

administration of the department a full-time chief examiner should be employed.

It also found that except for these two positions the department office force is sufficient. "However, after interviewing the entire department field force, the committee concluded that while several of these persons are at all times extremely overworked, the

majority of the group does little, other than draw mileage and pay. Many of the latter category are untrained, conduct full-time businesses and occupations outside of the insurance department and have little time to devote to their official duties." It added "that the work of a number of these members of the field force, consisting of giving insurance agents' examinations,

can and should be done by one full-time, trained employee. Further, for efficient administration of the department, the services of these non-productive employees should either be terminated or utilized by the commissioner for checking agents, especially in the line of industrial insurance, and with particular reference to twisting, agents' shortages, lapses, advances and arrears, the committee recommended.

The committee said that while the procedure followed by the commissioner in examination of foreign insurers is in accord with nationwide practices, this practice would be strengthened by requiring all foreign companies to file condensed quarterly reports with the department.

Finally, to insure greater protection to policyholders, for increased efficiency of the department and for the welfare of the business, the committee felt that the immediate enactment of several badly needed additions, modifications and revisions in and to the existing insurance laws of the state should be made.

The committee accordingly recommended immediate passage of the following bills.

To amend section 37-52, code of laws of South Carolina, 1952, relating to office of insurance commissioner, so as to provide for his appointment and removal by the governor and to prescribe his term of office.

To add section 37-56.1 to the 1952 code to prohibit officers and employees of the insurance department from having certain business interests.

To regulate acquisition of interests in insurers by other insurers doing business in the state.

To amend section 37-295, 1952 code, relating to the penalty for making false statements in company statements so as to include within the provisions of the section any person aiding, abetting or participating in the making of such statements, and to provide for the forfeiture of the insurer's license to do business.

To provide for the licensing and regulation of management companies doing business in the state and to prohibit insurers from entering into certain contracts with such companies without approval of the commissioner.

To amend the 1952 code by adding a new section, 37-56.2, to prohibit certain persons from conferring gratuities upon officers and employees of the insurance department.

To prohibit making misleading or fraudulent representations for the purpose of inducing any person to convert or terminate in any manner any life or disability insurance policy.

To define the ownership of insurance debits and regulate the transfer of such debits.

To require insurance adjusters applying for licenses in the state to pass a written examination and pay an examination fee of \$50 instead of the present \$10.

To amend section 37-184, 1952 code,

relating to the deposit of a bond or securities by insurers doing business in this state, so as to increase the amount of such securities from \$20,000 to \$50,000.

To amend section 37-281, 1952 code, relating to examinations of insurers to authorize the insurance commissioner to initiate such corrective measures as may be necessary to protect the solvency of insurers, where such examination reveals that solvency is in peril.

To amend section 37-236, 1952 code, relating to examinations for insurance agents' licenses, to require an examination fee of \$10.

To amend section 37-235, 1952 code, to increase fees for agents licenses.

To prohibit making certain loans or advances by the directors and officers of such companies.

To regulate the acquisition of real estate by domestic insurers.

To provide for the valuation of real estate held by insurers.

To provide for the valuation of certain investments by insurers where no method has been specifically provided by law.

To regulate investments by domestic insurers.

To add a section 37-190.1 to the code, to provide for a method of valuation of stocks and other securities owned by insurers.

To require insurers to maintain itemized records of losses and claims and records of notices received of events which may result in loss.

To amend section 37-189, of the code, to further provide for loss reserves of insurers.

To amend section 37-188 to further provide for the maintenance of unearned premium reserves and to set the methods to be used in the measurement of reserves of certain insurers.

No change is recommended on insurer taxation.

The committee suggested a blue sky law regulating issuance and sale of all insurer stocks in the state. This should prohibit the sale of insurer stocks until a full and complete disclosure of assets and liabilities of the company has been made. Should there be anything false, misleading or fraudulent in connection with the sale of such securities, the right to sell should be denied or the sale stopped. The statute should contain provisions for stopping the sale of such securities if the plan of business is not fair, just and equitable, if the surplus is inadequate, if the consideration to be paid is not just, fair and equitable, or if the plan for promotion and sale will work a fraud.

Bills already have been introduced covering substantially all of these recommendations.

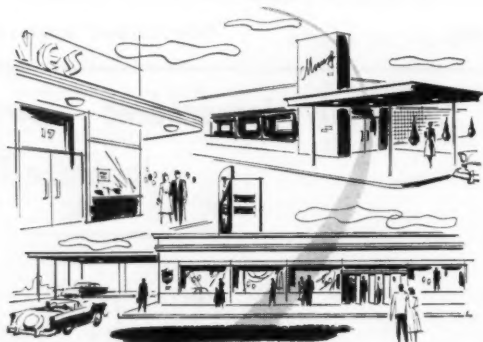
## Wallace Discusses Marine at N. Y. School

Philip P. Wallace, manager of the marine loss department of Bleichroeder, Bing & Co., New York marine brokers, discussed insurance problems in foreign trade, especially maritime insurance, at the new School for Social Research in New York City. He will repeat the talk next week as a part of the school's series on export-import practices and financing.

## Myers King County Chief

SEATTLE—Kenneth G. Myers has been elected president of the King County (Wash.) Insurance Assn. He succeeds Robert Culliton. Philip Bronson was elected vice-president and W. G. Burr secretary-treasurer.

## Step up protection and savings for business property owners



**I**N ADEQUATE insurance is a common weakness of business insurance programs. Too often—after a loss—business owners find that they won't recover nearly enough to replace destroyed buildings, stock and equipment. Or, they have no coverage at all against loss which could have been insured.

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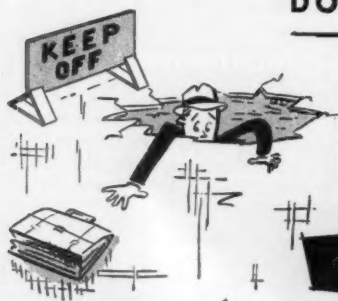
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## Colo. OKs Modern WC Rating Plans

Retrospective rating plan D and the premium discount plan for workmen's compensation have been approved for use in Colorado, and the state now has all the modern rating plans for WC.

## Seattle Surety Association Elects W. A. Harriman

Surety Underwriters Assn. of Seattle has elected William A. Harriman of Glens Falls president and Jack Hipple of Massachusetts Bonding vice-president and reelected Gerald Perry of Hartford Accident secretary.

George W. Allen, pioneer member of the 51-year old association and former Pacific coast manager of National Surety, will conduct the installation of officers at the annual banquet in the College club at Seattle, Jan. 27.

## Texas Lloyds Converts

Associated Employers Lloyds of Fort Worth has been converted into a stock company under the name Associated Employers Ins. Co. Associated Employers has assumed all the assets and liabilities and business of Associated Employers Lloyds. W. P. Bomar is chairman; J. M. Ferguson Jr., president; Kay Kimbell, secretary, and J. E. Chenault, secretary-treasurer.

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## Kemper Companies Show Increases in 1955

Premiums of the Kemper companies totaled \$164 million in 1955, Mark Kemper, financial vice-president, told agents from Louisiana and Mississippi at a meeting in New Orleans. He said the assets increased \$15 million to total \$287 million.

## Braun Heads New Burglary Unit of Continental Casualty

Continental Casualty has appointed George Braun as manager of a newly formed "3-C" division, in which capacity he will assume full responsibility for the production and underwriting of all burglary lines.

Mr. Braun rejoins the firm after an absence of 13 years. He started with the Continental organization in the early 30s, after several years of burglary and glass experience with the old Union Indemnity. He later was with National Surety in a supervisory production and underwriting position.

## Three Mich. Locals Elect

Lawrence McKay has been elected president of Birmingham (Mich.) Assn. of Insurance Agents, succeeding Otis Thompson. Mrs. Myrl Oehm is vice-president, and Bruce Randall is secretary-treasurer.

Houghton County Assn. of Insurance Agents has elected Dominick Vairo as president to succeed Ralph Medlyn, and has named Martin J. O'Connor vice-president, and T. M. Jacka secretary-treasurer.

New president of Midland Assn. of Insurance Agents is Robert Ferries, succeeding Martin Maxwell, who was elected vice-president. Mrs. Harriett Jackson is secretary-treasurer.

## Dayton CPCUs Elect Mote

The Dayton-Miami Valley chapter of CPCU has elected Thomas R. Mote, president, Robert B. Beck, vice-president, Edwin J. Zwiesler, treasurer and Charles S. Ault, secretary.

## F. H. Crane Estate to Widow

The estate of Frank H. Crane, St. Louis agent, who died in 1954, was valued at \$363,336 for probate purposes. The bulk of the estate was represented by stocks, principally in insurance companies, with a total value of \$360,760. The net estate of \$299,871 will go to his widow.

## Place Jefferson, Wis., Coverage

JEFFERSON, WIS.—Insurance Underwriters Assn. of Jefferson County has been awarded one-third of the fire and extended coverage on property of Jefferson county on a renewal basis. The remaining coverage is placed through the Assn. of Mutual Insurance Agents. Mutual Service Casualty was awarded the auto fleet policy.

## GAB Realigns Utah Territory

The Grand Junction, Colo., service office of General Adjustment Bureau will now service all claims in Grand county, Utah. The Salt Lake City branch, which formerly handled the claims, will continue to handle claims in adjoining Emery county.

## L. C. Pearman to Cincinnati

L. C. Pearman, who retired a short time ago from American Appraisal's Kansas City office, has returned to Cincinnati in an active capacity with that company and will be associated with A. W. Allison there, serving southern Ohio, Indiana, and Kentucky.

Donald Cameron, who has been with Lamping & Co. as manager of the fire department, has joined Ins. Co. of Oregon as underwriter in the fire and casualty division.

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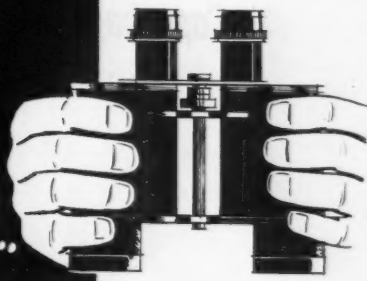
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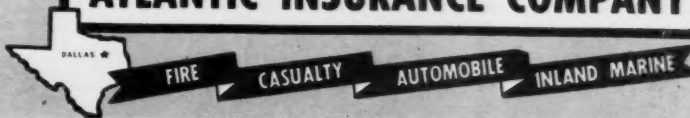
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## Elect J. B. Siewers President of Ill. Brokers Association

Insurance Brokers Assn. of Illinois held its annual meeting in Chicago this week and by a unanimous vote elected a slate of officers which include John B. Siewers, president; Spencer S. Willison, 1st vice-president; T. R. Johnson, 2nd vice-president; Glenn H. Koch, secretary, and Fred C. Stiles, treasurer. Retiring president is Frank E. Mueller.

Some 50 Illinois brokers, out of a membership of 614 in the association, attended the brief, but active meeting which lasted about an hour. A. W. Ormiston, chairman of the membership committee, reported that the brokers association is just about holding its own in membership and recommended that downstate Illinois be exploited as a field for new members.

The association, composed largely of Chicago brokers, increased its membership by seven in the past year.

Speakers at the meeting were Joseph S. Gerber, attorney for the association, and Richard J. Thain of the Vaughan, Thain & Spencer advertising agency.

Mr. Gerber spoke critically of the numerous attempts of the city of Chicago to adopt broker licensing ordinances which discriminate against the insurance broker to the benefit of the real estate broker. He outlined the continuing and vigorous efforts of the brokers association in its fight against discriminatory licensing ordinances and pointed to the "inequity" of an existing ordinance which charges a fee of \$35 to insurance brokers and \$50 for combination real estate and insurance licensing.

He said a new ordinance now under consideration is acceptable to the association because it provides for a \$25 fee for either insurance or real estate licensing or \$50 for a combination.

Mr. Gerber assured the brokers that a broker licensing ordinance is only a fee and not regulatory, pointing out that the city of Chicago is interested in the revenue from licensing fees and has neither the intention nor the personnel to regulate the brokerage business.

Discussing "How the Broker Can Advertise," Mr. Thain said the independent insurance broker is under increasing necessity to advertise effectively and most of the funds for this advertising have got to come from his own pocket. His best bet is to pool his resources with other brokers and to advertise through his trade association or his general agency. The point made too was that national advertising and the mailing pieces which companies prepare for the broker's use usually stress the company's name strongly. As an independent contractor, the broker finds this advertising undesirable because he doesn't want to identify himself with any specific company.

## Glens Falls Opens New Claim Office in Fla.

Glens Falls has opened a new claims office in Jacksonville, Fla., at 306 West Adams street, directly under William L. Allen, claims representative, and under the general supervision of John A. Steele, claims manager for Florida with offices in Orlando.

Mr. Allen formerly was with the company's claims office in Atlanta.

## Rockwood Marks 60 Years

Rockwood Co. of Chicago, one of the largest multiple line agencies of Travelers and also a general agency for some 20 other property companies, is marking its 60th anniversary. Agency volume has increased ten-fold since 1940, and during the past year a direct Lloyds representation was established. W. Carter Butler is president.

## Harriman Urges Holz' Compulsory Plan for N. Y.

(CONTINUED FROM PAGE 1)

for automobile registrations whether they had liability insurance. The results of this survey revealed, that almost 14% of the vehicles registered by year end were not covered by liability insurance.

The governor indicated that he favored the Holz indemnification plan but he did not close the door on support by the administration of compulsory plus UJF.

The reaction among Republicans, who control the legislature, followed political lines. Several Republican spokesmen in the legislature have come out strongly for plain compulsory.

The governor also has advocated more highway safety, more driver education, more law enforcement and driver control, and more testing for fitness to drive.

## Study Relates Differences to Insurance Buying

(CONTINUED FROM PAGE 5)

lished that there were more differences in farm value, mortgage, fire insurance and premiums within the two groups in Ohio and Vermont than there were between the two sample groups. This would indicate that the bases underlying fire insurance purchases, both objective and subjective, tend to result in similarities in purchasing behavior which cut across regional lines.

An interesting implication of these findings concerns the role of objective as against subjective factors in determining the consumption behavior of individuals. The two rural sample groups held comparable fire coverages, but the Ohio group held far greater life protection. Since the Ohio group would have to be ranked appreciably higher in a socio-economic status continuum than the Vermont group, this would indicate the greater importance of subjective variables for life insurance consumption patterns and of traditional and compulsory variables, such as income, value of farm, etc., for fire coverages.

In response to questions on medical care and insurance, 36% in New Haven, 46% in Columbus and 44% in Vermont, thought doctors charged higher fees if they knew that the patients were insured. Between 25 and 32% of the respondents believed that hospitals did the same thing. From 75 to 83% in the three samples held that most persons tended to use medical services more frequently when insured, and 44 to 68% thought the same was true in reference to hospitals.

There appeared to be a substantial amount of interest in a medical expense policy with a \$100 or \$300 deductible provision. More than half of the respondents favored a medical expense policy which would take care of all bills over, as opposed to under, \$100. Opinion was almost evenly divided on the desirability of a medical expense policy with a \$300 deductible clause.

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